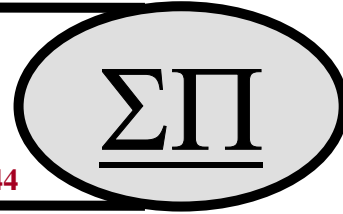


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Our Ref : W97-0100
Your Ref :

Mr John Elliott
Assistant Secretary
AusLink – Commonwealth Dept Transport & Regional Services
GPO Box 594
CANBERRA ACT 2601

11 February 2003

Dear Mr Elliott

AUSLINK – GREEN PAPER

Thank you for providing a copy of AusLink – Towards the National Land Transport Plan, and consequent request for comments.

Overall Assessment

The Federal Government should be commended for stepping outside the box, and questioning the long-term political direction relative to transport services in Australia.

This is clearly a major document addressing a significant issue for Australian domestic and international politics that is multi-faceted in observation, application, implementation and commitment to the future.

The process (which I hasten to add is not necessarily outcome) should enjoy a measure of support from the Prime Minister and Cabinet, and all members of parliament, whether they be Liberal, National, Labor, Greens, Democrats and Independents.

It will be a true test of politics to see if this initiative can garner multi-partisan support, and plausible implementation given the dichotomy of federal, state and local government in Australia.

Structure

The document as a whole would appear to be comprehensive in outlook with respect to the role of land transport; however, lacks definition in relationship with the government, private sector and community. Invariably there would appear to be little consideration for the practical implementation aspects associated with the role of local government or their expertise to undertake any prescribed action.

What is described at the beginning of the document as a “National Land Transport Plan” appears to conclude as a “National Transport Plan” (final question), and with only minor consideration of air and sea transport, I question the clarity of the objective, and the subsequent responsive structure of the report.

Community Response

I attended one ‘Industry Workshop’ organised by the Great Southern Area Consultative Committee in Albany on Wednesday 29 January 2003, where the Albany Chamber of Commerce & Industry and the Albany Visitors Centre (Tourist Bureau) were not in attendance.

In that forum, I would suggest that the Green Paper has created more cause for concern than effective participation, and ultimately less reason to adhere to the process and any plausible regional outcomes.

Comments passed at that meeting were largely associated with the land freight transport task, and not necessarily reflective of regional urban, rural and remote initiatives for transport development.

It is my observation that most industry / government groups were more concerned about what the federal government was going to remove in the way of funding rather than reviewing the overall model.

Without the incentive to participate, I fail to see the political longevity of the transport review initiative, which ultimately could be a far greater disservice to regional development and transport evolution.

Content

There are a variety of relevant headings for consideration :

❖ **CHAPTER ONE - CURRENT DEMANDS AND FUTURE CHALLENGES**

- ◆ The Current Transport Task
 - Freight transport
 - Passenger transport
- ◆ The Current Planning & Investment Framework
 - Road infrastructure planning and funding
 - National rail planning and funding
 - Airport, seaport and inter-modal planning and investment
- ◆ Future Transport Outlook
 - Drivers of transport demand
- ◆ The Future Transport Task
 - Projected growth in freight task
 - Projected growth in passenger task
 - Trends in trucks and traffic
- ◆ Growing Social Costs
 - Urban road traffic delay costs
 - Health and environment
 - Safety (Risk Management)
- ◆ Future Infrastructure Investment Needs
 - The national highway system
 - Rail
 - Ports
- ◆ The Challenges Ahead

While Chapter One could be described as holistic and informative through word and graphics, I would suggest the structure lacked definition and cohesiveness in subject matter. The transport review process is not improved by the omission for Western Australia (Figure 2) of the following key assets :

- ❖ Seaports – Esperance, Albany, Geraldton, Carnarvon, Broome, & Wyndham
- ❖ Airports – Albany, Geraldton, Learmonth, Newman
- ❖ Roads – North-West Coastal Highway, Albany Highway, South Coast Highway, Great Central Road
- ❖ Railways – construed as an ‘Interstate Network’ with no relevance for ‘Intrastate Network’.

Assuming the defined Figure 2 – Map of the Existing Network has not been constructed to provoke reaction, this is extremely concerning relative to the prospect of attracting future Commonwealth / State funding in the regions.

You may care to review the State Government of Western Australia’s “Draft Regional Policy Statement” published in November 2002, and currently available for public comment until 28 February 2003.

❖ **CHAPTER TWO - FOUNDATIONS FOR REFORM**

- ◆ Better Transport & Land Use Planning
 - Moving beyond piecemeal investments
 - Bringing rail up to par
 - Clarifying roles
- ◆ Growing the Funding Pool
 - Private sector funding
 - Recent findings
 - Government action to attract private investment
 - Government funding
- ◆ Identifying a Strategic Network
 - Improving access to hubs
- ◆ Better Land Transport Infrastructure Pricing
- ◆ Strategic Use of Technologies

Conversely, Chapter Two is well structured, but in the context of foundations for the future, typically poses more questions than solutions.

❖ **CHAPTER THREE - A NEW FRAMEWORK – AUSLINK**

- ◆ AusLink
- ◆ National Objectives
 - Sustainable economic growth and development
 - Connectivity and passenger issues
- ◆ A Nine-Point Approach
 - Integrating and improving the national land transport network
 - Developing a national land transport plan
 - Establishing a national advisory body
 - Generating the best ideas
 - Funding the best solutions
 - Employing a consistent approach to funding
 - Encouraging a reciprocal responsibility
 - Embedding continuous improvement
 - Negotiating a new inter-governmental agreement

Chapter Three is well structured and straight to the point – it will be interesting to view the reaction, but perhaps more to the point, what will be the relationship between federal government agencies and budget process.

❖ **CHAPTER FOUR - TRANSPORT INFRASTRUCTURE & AUSTRALIA'S REGIONS**

- ◆ Targeted Approach to Support Local Government
 - Local government regional infrastructure provision
 - AusLink's regional approach with local government
- ◆ Objectives of the AusLink Regional Approach
 - Generating Ideas
 - Reciprocal Funding
 - Promoting Regional Economic Growth & Sustainability
- ◆ Consideration of Proposals under AusLink's Regional Approach
 - Retention of financial assistance grants
 - Interstate & intrastate funding distributions
 - Roads to Recovery Program
 - Utilising existing regional transport planning arrangements
 - Allocating and administering funding
- ◆ The New Land Transport Inter-Governmental Agreement

Chapter Four is again poorly structured and how many ways can you say the same thing over again without really addressing the relationship between Commonwealth, State & Local Governments.

Those same regional transport planning arrangements are in themselves only young in political experience, and I would venture to suggest are not achieving their designated key result areas with uniform endorsement by the respective stakeholder groups.

❖ **CHAPTER FIVE – IMPLEMENTATION & FUTURE DEVELOPMENT**

◆ Implementation

- First cycle of the national land transport plan
- Program implementation arrangements and new legislation
- Inter-relationships with state, territory, regional and local transport plans
- Project evaluation methodology
- Maintenance of the national network
- Transitional arrangements

◆ Future Development of AusLink

- New land transport inter-governmental agreement
- Identification and development of the National Land Transport Network
- Economic development corridors

Is it surprising that the majority of identifiable national transport corridors link capital city / major urban destinations that reflect a western approach to land economy and property investment, historically linked to the freight distribution task of a consumer based society.

While not a traditional transport corridor per-se, energy corridors are a significant economic development driver, and consideration might be given to the impact of gas / water pipelines and major electricity transmission routes. Likewise, but perhaps less relevant today, major rivers were once significant transport corridors.

From raw material resource, energy source, manufacturing / value-adding processes, the wholesale, retail and distribution outlet to consumer – both import and export. Each of these processes has been modified extensively in the past ten years through information technology, but the level of discussion on this aspect and future changes is limited (a whole other subject perhaps).

As someone suggested at the Industry Workshop – “so AusLink is a fait-accompli – well we will see about that”.

I struggled to suggest that regardless of the politics of the green paper, it was in the better interest of a region to seek further explanation of the process and methods of inter-action rather than risk denial or exclusion.

Accordingly, I would ask that DoTaRS consider a regional information program to bring the policy to stakeholder groups, with far more quantifiable data on the port / transport relationship than is currently presented.

Some of the missing categories might be :

❖ **Creating the network – a management perspective**

- Roads – Metropolitan ring roads, town by-passes, intra-state controlled access highways
- Rail – Freight versus passenger, nodal assembly points, network tenure and rolling stock
- Seaports – Bulk commodities, containerisation, dangerous goods, global interaction, customs
- Airports – OLS, ILS, hours of operation, domestic & international travel, customs
- Risk management, emergency response, terrorism
- Asset management & depreciation.

❖ **Community engagement & tenure of process**

❖ **Key result areas**

❖ **Financial implications and funding mechanisms – regional growth disparity.**

Specific questions requesting a response

Page 23 – Major transport infrastructure challenges :

- ❖ Politics is as much a part of the problem as the solution for transport, but I do not see anyone questioning the organisational management capacity of federal, state, regional and local governance to address construction / de-construction of the issues as a basis for planning and implementation.
- ❖ Globalisation of trade will have a material bearing on employment; however, transport is not a solution to the issues of unemployment, industry revolution, value-adding raw material resources prior to export, pollution generation and transferral (airborne, seaborne and land-based).
- ❖ Transport without consideration of the human factor, trends in unionism, the capital cost of labour, and technology replacing a skilled workforce.

Page 27 – Improving land use planning :

- ❖ Rainbow 2000[®] - a Regional Planning Strategy for Albany & the Great Southern was written to test the hypothesis that 'Planning is the antithesis of Politics' – the question remains as to how to procure a workable solution for the future – several specific initiatives are included that would contribute to better outcomes.
- ❖ The Development Assessment Panel Model – DAPM[®] is a management system I would advocate for the resolution of technical issues, but local politics has to be able to recognise and deal with change.
- ❖ There is no substitute for Vision, Leadership and Decision-making.
- ❖ As long as local government is effectively non-remunerated (particularly in Western Australia – this is the governance question identified above), it will only attract 'volunteers' whom lack any discernible commitment to strategic planning and change.
- ❖ Experience would suggest that the upper echelon of regional planners in the public service are more adept at politics than the elected politicians, but that there is limited accountability performance criteria associated with GDP or economic investment – instigate regional management contracts for maximum 5 year tenure.

Page 37 – Pricing of rail and road infrastructure :

- ❖ Competition is as necessary for risk management as pricing.

Page 38 – Technology :

- ❖ There should be a universal E-tagging system for the freight / passenger transport network linked to Satellite / GPS technology to monitor movement, security and cargo type as the basis for access and user pays.
- ❖ Computer systems should be able to analyse the statistics to provide a relative assessment of 'Internal Rate of Return' on investment in various forms of transport infrastructure, and user-pays contributions to funding and risk management / insurance.
- ❖ There should be a national network of toll routes / payment nodes for road, rail, sea and air freight linked to 'Port Corporations' for tenure and administration, with route access dependent on 'tagged' registration, or alternatively small stakeholders pay a premium for making use of that restricted network.

Page 39 – Possible responses :

- ❖ I fully agree with the proposed possible responses, and endorse the political horizon of twenty plus years.

Page 53 – AusLink funding for R&D :

- ❖ I concur that R&D is essential to maintain domestic and international competitiveness.

Page 53 – Transport safety :

- ❖ Integrated transport networks offering collective / alternative access strategies relevant to the modal choice of the stakeholder appropriately regulated and priced to maximise effective and efficient participation and asset utilisation.

Page 55 – Transport investment opportunities :

- ❖ Various transport modes and tasks exhibit more or less ‘public good’ characteristic; however, the common element is perceived to be market capitalisation to enter the market place.
- ❖ Private enterprise will only engage in public infrastructure investment where there is sufficient political mandate and a clearly defined outcome / service opportunity free from relative financial risk.
- ❖ Example – Rainbow 2000[®] and Albany port relocation were estimated to cost \$1.0 Billion in 1997. The net return on investment to the community was estimated at \$5.0 Billion and 30,000 jobs over thirty years.
- ❖ I can show you the correspondence from Private Enterprise, Commonwealth, State and Local Government that demonstrates the fear of change, and political reality of pragmatic planning.
- ❖ I don’t see it as the risk of excluding private enterprise, more the capacity of public administration to engage.

Page 59 – Benchmarking best practice planning, development, and evaluation & monitoring techniques :

- ❖ Yes.

Page 64 – Queensland local roads :

- ❖ It is as good a definition as any, but focuses unduly on the nodal import / export confluence as the problem, whereas the expansive access network would need equal consideration in the funding equation.
- ❖ Consideration should be given of extremely large local authorities in Western Australia, etc. – or alternatively the focus is all metro-centric as the main source of urban problem – this is a significant aspect favouring competitive growth in emerging regional cities as a locational decision for business investment.
- ❖ Regional dynamics in Australia is heavily biased in all states to the Capital City at the expense of the regions – with future population growth and centralisation, it will become increasingly difficult to negotiate for successful regional outcomes.

Page 69 – Commonwealth financial assistance direct to local government :

- ❖ The proposition pre-supposes that there is a problem in delivering the outcome, and that new financial relationships between the Commonwealth, State and Local Government is symptomatic of the need to pursue alternative funding mechanisms to deliver successful outcomes.
- ❖ It really boils down to maximising the % return on taxation (small empire syndrome) as a contribution to capital growth and further economic development / quality of life.

Page 69 – Earmarking local roads grants :

- ❖ Either the organisational structure for identifying priorities is inclusive and constructive, or not.

Page 69 – Interstate & Intrastate distribution of funds :

- ❖ Strategic assignment of funding always makes sense, but it is the same as the one-vote one-value argument – it is a question of time before the level of contribution is measured against return.
- ❖ It is more relevant to finance the growth economy (urban, rural or remote) as a future contribution to GDP, and continuing source of financial investment.
- ❖ Strategic transport funding initiatives have the greatest potential to influence decentralisation objectives, if that is a priority for the government – regional development is the future of Australia.

- ❖ Ultimate city size (population) is a factor of land-use / transport inter-action and spatial efficiency; however, it is now being measured against environmental sustainability criteria, and there appears to be limited consideration of social equity except as a generic outcome of indifferent government policy.

Page 70 – Sustainable regional economic and social benefits :

- ❖ Good words – but this is the political equation – the emphasis should be on encouraging growth-orientated regional strategies that are sustainable.
- ❖ Experience suggests that most regional strategies never address the specifics of how they would grow, but talk about the intangible links that would lead to regional growth – politically safe speak because there is no effective regional governance in Australia (elected representation or political mandate).

Page 72 – AusLink contribution to regional transport funding :

- ❖ More information required.

Page 73 – Funding allocation to strategic regional infrastructure :

- ❖ Logically, there should be an under-pinning bilateral agreement that based on proactive regional planning and development identifies plausible future strategic investments, but relevant finance and timing are something else for the private and public sector to achieve in cooperation.
- ❖ There is a cultural history toward public infrastructure investment that varies in ideology between political parties with regard to methods of finance and administration.
- ❖ I would suggest that public enterprise have a lot to learn about private enterprise and return on capital investment associated with redefining the business model of key assets.
- ❖ Contingency planning should permit specific project based approvals of national merit.

Page 73 – AusLink – Regional flexibility :

- ❖ Tender based allocations of forward capital works funding – a regional development commission acting in accordance with an adopted plan identifies strategic investment opportunities which are considered annually by an AusLink taskforce making recommendation to a Bilateral Committee comprising the Federal Minister for Transport & Regional Services and all State / Territory Ministers for Transport / Regional Development.

Page 81 – DoTaRS – Regional development planning :

- ❖ Provide direct financial assistance for regional planning – eg. Ravensthorpe, Esperance & Jerramungup – a Blueprint for the Future of South-East Western Australia, and then a project management structure that will survive the political intervention process and proceed to effective outcome (again small empire syndrome).

Page 84 – AusLink project evaluation methodology :

- ❖ This will depend on the quality of argument provided by the project sponsor and key reporting officer of AusLink as to whether the project gets approval from Bilateral Committee in #73 above.
- ❖ Notwithstanding the Whitlam Labor Government DURD years (the demise of which may well be attributed to a State led revolt against Commonwealth initiatives in this policy area), there has been a fundamental lack of research into the success and failure of Commonwealth policy influencing regional development.

Page 85 – Maintenance funding :

- ❖ Whole of life asset contribution and net benefit to network development.

Page 88 – National principles :

- ❖ Agree with all statements
- ❖ Question Global context
- ❖ Evolving 1st World Economies and the Transport Interface

- ❖ Emerging 3rd World Economies and the Transport Interface
- ❖ Oceania / Asia / Pacific / Indian economic forums
- ❖ Investment in off-world satellite communications and terrestrial / marine management systems.

Page 92 – Inter-modal Activity :

- ❖ No comment expressly offered other than to recognise that some regions (notably Albany & Great Southern) are clearly exploring the opportunity for an inland freight terminal to resolve short-term availability of industrial development land near to sea and airports, and restricted land transport access corridors to service such locations as a rationalisation of road / rail freight management.

Page 92 – Corridors & Links :

Missing (intrastate) corridors in Western Australia should include :

- ❖ Albany to Esperance
- ❖ Albany to Manjimup / Bunbury / Augusta / South-west
- ❖ Albany to Wheatbelt (Great Southern Highway & Railway)
- ❖ Broome to Derby / Fitzroy Crossing / Halls Creek / Kununurra / Wyndham
- ❖ Bunbury to Augusta
- ❖ Bunbury to Manjimup
- ❖ Dampier / Karratha to Tom Price / Paraburdoo
- ❖ Esperance to Kalgoorlie / Leonora / Meekatharra
- ❖ Geraldton to Carnarvon
- ❖ Geraldton to Mt.Magnet / Meekatharra
- ❖ Karratha to Port Hedland
- ❖ Perth to Albany
- ❖ Perth to Bunbury / Busselton / South-west
- ❖ Perth to Geraldton
- ❖ Perth to Kalgoorlie
- ❖ Port Hedland to Broome
- ❖ Port Hedland to Newman.

Page 92 – Urban Routes :

- ❖ Albany Ring Road – Flinders Highway (Toll Route administered by the Albany Port Corporation)

Page 93 – the National Transport Network :

- ❖ These matters are addressed elsewhere in our comments.

Page 95 – the National Transport Policy – Range of Other Issues :

- ❖ Inter-regional & Intra-regional aviation in Australia
- ❖ Alternate international aviation destinations in Australia
- ❖ Defence – a Transport Perspective on Facilities Management
- ❖ Servicing trade development through Customs & Immigration
- ❖ Australian territories – Antarctica, Herd, Macquarie, Christmas, Cocos Keeling, Lord Howe, & Norfolk Is.
- ❖ Australian sea freight routes – Southern, Northern, Eastern
- ❖ Global sea-freight hub links.

Proposed Actions

The list of proposed actions is credible; however, these objectives should be reviewed, and performance standards attached as appropriate for :

- ❖ S – Specifics
- ❖ M – Measurability

- ❖ A – Achievability
- ❖ R – Relevance
- ❖ T – Timeliness.

Progression of Strategy

The concept of transport development and sustainability is an evolutionary process, and I appreciate that one document can not hope to address all expectations for all time.

Assuming this document makes it through the public sector review process and a white paper is endorsed by the private sector (small and big business) and community, then there is a requirement to fund and promote management strategies and action plans, accountability profiles, and timelines for implementation / outcome.

I trust these comments are acceptable, and if you require further assistance please call.

Yours faithfully,
SMITHSON PLANNING

NEIL R. SMITHSON

Managing Director
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