

# The AusLink Green Paper

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December 2002

## **Background**

In November 2002 the Federal Government issued a Green Paper for public discussion with the title *Auslink: Towards the National Land Transport Plan*.

This put forward ideas for reform of the way in which Commonwealth is involved in planning, developing and funding Australia's national land transport network.

AusLink legislation is expected to be introduced into Commonwealth Parliament in the Spring Session 2003 – that is, October-December 2003. This will be preceded by a White Paper (in May/June 2003?), and the negotiation with States and Territories of a new Land Transport Inter-Governmental Agreement, expected to be signed by Heads of Government in September 2003.

This is potentially the most significant transport reform in many years in Australia, and anyone with a view should ensure that it is input into the next stage of the process. Submissions on the Green Paper will be accepted by the Department of Transport and Regional Services ([auslink@dotars.gov.au](mailto:auslink@dotars.gov.au)) until 7 February 2003.

## **Objectives**

The objectives are described thus in the Green Paper:

AusLink will promote sustainable national and regional economic growth, development and connectivity by contributing to an integrated land transport network which:

- improves national, interregional and international freight logistics;
- enhances national, interregional and international trade;
- promotes national and interregional connectivity;
- is consistent with viable, long-term economic, social and safety outcomes;
- is consistent with our obligation to current and future generations to sustain the environment;
- is based on those national and interregional corridors; links to ports, airports, production and distribution centres; connecting intermodal facilities; and local links of regional significance – that are of critical importance to national and regional economic growth, development and connectivity; and

- is planned, funded and managed efficiently, within a framework of reciprocal responsibility by all levels of government and with the involvement of the private sector.

## ***Elements***

There are nine inter-related areas of initiative:

1. Integrating and improving the National Land Transport Network
2. Developing a National Land Transport Plan
3. Establishing a national advisory body
4. Generating the best ideas
5. Funding the best solutions
6. Employing a consistent approach to funding
7. Encouraging reciprocal responsibility
8. Embedding continuous approval
9. Negotiating a new inter-governmental agreement

## ***The Details***

It is difficult to comment on the proposals in any detail because there is little detail offered. Typically an aspirational statement is followed by a request for feedback.

For instance ...

*... it is especially important that transport network planning is integrated with land use planning ...*

**QUESTION:** The Government invites your views on how and use planning could be improved? How could planning for transport infrastructure and land use be better integrated?

*... it is likely that there will be calls for additional funding by governments at all levels ...*

**QUESTION:** What are your views on how an increase in land transport infrastructure spending should be paid for?

*... AusLink is not the forum to solve the issue of pricing ...*

**QUESTION:** What are your views about means of achieving more efficient and effective pricing of rail and road transport services?

*... The AusLink network will develop a national, integrated approach to the whole land transport network ...*

**QUESTION:** What are the elements you would see as comprising such a national network? (NB these are suggested later in the Green Paper)

*... National land transport networks, such as the National Highway System, serve important intrastate, regional and local needs, as well as national needs ...*

**QUESTION:** The Government invites your suggestions about measures to improve integration of transport infrastructure planning by the different levels of Government.

*... AusLink will need a consistent and transparent appraisal methodology that can operate at different levels ...*

**QUESTION:** How should the AusLink project evaluation methodology ensure equal treatment of alternative projects and alternative types of projects ?

*... Planned and effective maintenance makes better use of existing infrastructure ...*

**QUESTION:** The Government seeks your views on how the strategic approach to maintenance funding can be improved.

*... The importance of developing an integrated national land transport network has been established ...*

**QUESTION:** The Government invites your views on the corridors and links that should be included in the initial draft of the National Land Transport Plan.

*... The Government intends AusLink to evolve eventually into a comprehensive, integrated National Transport Policy ... The main areas of interest for a National Transport Policy include:*

- *infrastructure investment,*
- *safety,*
- *environmental regulation,*
- *infrastructure pricing, and*
- *technological innovation.*

**QUESTION:** The Government has not yet resolved the range of issues that could effectively be included in a National Transport Policy. The Government invites your views on what it might eventually encompass.

What is one to conclude from this? That the [Commonwealth] Government hasn't got much further than the aspirational statements yet? To tackle any of these questions – or the many others in the Green Paper - in any depth is a major task. Yet the Commonwealth Government expects to get a new InterGovernmental Agreement signed and new legislation introduced in the second half of 2003, with the new funding arrangements commencing in the May 2004 budget. This does not leave much time to discuss the questions it raises, never mind the questions it does not.

### ***The Six Hats***

How can a reasoned response to such a far-reaching document be prepared in a short timeframe? The questions posed by the Green Paper are difficult enough, but to stick to them involves first accepting the framework within which they are posed. That framework itself should first be questioned.

Edward de Bono offers many techniques for thinking about complex issues, and the “Six Thinking Hats” may be particularly appropriate here. It is essentially role-playing. The thinker imagines that he or she is donning a particular colour of hat, which encourages a particular type of thinking.

The colours of the hats, as suggested by Dr de Bono in *Handbook for the Positive Revolution* (1991), are:

**WHITE HAT:** *This covers information, data and facts. When you ask for “white hat thinking” you want only the information – not ideas or arguments.*

**RED HAT:** *This covers emotions, feelings and intuitions. Under the red hat the thinker can put forward his or her direct feelings on the subject without any need to justify or explain these feelings.*

**BLACK HAT:** *This is the hat of caution and judgement. With the black hat we look at the dangers and difficulties and why something may not work.*

**YELLOW HAT:** *This is the hat of optimism. This is the positive hat. Why something will work. What the benefits will be. How something can be done.*

**GREEN HAT:** *This is the creative hat. New ideas and alternatives. Proposals and provocations.*

**BLUE HAT:** *This is the overview of process control hat. With the blue hat we stand back and look at our thinking on the subject. With the blue hat we determine what sort of thinking we might do next. The blue hat can also be used for summarising where the thinking has got to at this moment.*

Let’s give it a whirl.

## **The White Hat – Facts**

### *Demand*

#### *- freight*

- The domestic freight task was 375 billion tonne-kilometres in 1999-2000.
- 37% was moved by road, 35% by rail, 28% by sea and less than 1% by air.
- Road accounted for 72% of the tonnes moved.
- Approximately 80% of road freight was transported over distances less than 100 km.
- The significant share of tonne-kilometres by sea is in the transport of dry bulk or liquid bulk commodities (eg coal, oil), generally over very long distances.

- A large proportion of rail freight involves intrastate bulk commodity movements from the location of extraction or production to the seaport or processing location.
- *passengers*
  - The passenger transport task was 311 billion person-kilometres in 1999-2000.
  - Cars are the dominant transport mode for domestic passenger travel (80% of total km travelled).
  - Air travel is significant for journeys over 400 km and is preferred mode for those exceeding 1200 km.
  - Private road vehicles account for 93% of urban passenger transport (presumably 93% of pkt).

### *Commonwealth funding*

The Commonwealth currently funds:

- *Road*
  - The National Highway construction program : approx \$400m per annum
  - The National Highway maintenance program: approx \$300m per annum
  - Roads of National Importance: joint funding with States
  - Black Spots program: \$180m over next four years
  - Roads to Recovery program: \$1.2 billion
  - Local roads via a specified component of Finance Assistance Grants to local government
  - Bridge upgrading programmes to accommodate higher mass limits
- *Rail*
  - Part of construction of Alice Springs to Darwin line (\$191m)
  - Interstate Mainline Upgrade program on Defined Interstate Rail Network (\$250m)
- *Other*
  - The Commonwealth has privatised its airports and retains only a regulatory role – no funding.
  - Sea ports are owned/operated by state or territory governments or private operators – no funding.
  - Intermodal terminals have been developed by states or by the private sector – no funding.

## ***The Red Hat – Intuition***

In general it is welcome that the Commonwealth wishes to instil greater accountability for the use of federal funds, and replace the current plethora of funding programs with a single, consistent, transparent scheme.

However there still seems to be some woolly thinking as to what the Commonwealth ought to be funding. It seems to be that the Commonwealth believe that freight transport is of national significance, that long-distance personal mobility is of national significance and that urban transport, including public transport, is not.

My view is that there are three transport sectors with different requirements.

- Commercial transport exists in a multi-modal logistical environment and requires efficient operation whether on road or rail and good modal interchange where required. For most markets, road freight is the dominant land transport mode in terms of trips but for long distance movement both rail and sea command niche markets.
- Private, or individual, transport requires accessibility and safety. People expect to be able to get to anywhere they want to, safely, in the vehicle of their choice, be it a car or a bicycle (or, if on foot, no vehicle at all). The car is obviously the most preferred vehicle and – even in urban areas, where the majority of Australians live and feasible alternatives may exist – it has been allowed to predominate in infrastructure provision.
- Public transport could potentially be an alternative to private transport in urban areas if it could be operated reliably and in an integrated fashion so that the whole was greater than the sum of the parts. Few would claim that this is the case in any major Australian city and, in the absence of any federal leadership, faces great challenges in ever becoming so.

It is commendable that the Commonwealth government wishes to see a more efficient freight and logistics system serving Australia. The mechanics of the assessment processes will be critical in evaluating whether glamorous “nation-building” projects are more or less effective than more mundane but possibly more productive investments.

The Western Sydney Orbital will be a major Commonwealth investment in road infrastructure in Sydney that will be of questionable value to freight transport, given that the international gateways (both ports and the airport and much of the associated industry) are in Eastern Sydney.

The exclusion of domestic air transport and sea transport from consideration is curious, especially given the large part of the bulk freight transport task carried by sea.

The rejection of interest in urban public transport is curious, given the impact of other Commonwealth policies (eg taxation, immigration) on urban transport demand and the investment in National Highway projects in urban areas. One would think that an integrated approach to personal mobility would either require both sectors (private and public) to be considered, or neither.

On p23 of the Green Paper, the question is posed “Do you agree that these [listed in the paper] are the major infrastructure challenges facing governments? What, if any, other challenges should governments consider?”

The link between infrastructure needs and population/employment growth in cities (especially Sydney), federal immigration policy and (currently, lack of) a national settlement strategy is one that surely should be recognised in federal funding arrangements.

### ***The Black Hat – Caution***

The timetable for the introduction of the AusLink arrangements assumes the successful negotiation of a new intergovernmental agreement by September 2003. Given that the details of the proposals are still very unclear, and that hostility has already been expressed by at least one major State government, this seems a very optimistic requirement.

There is no indication in the Green Paper that the Commonwealth is prepared to increase the amount of spending on land transport. Therefore the conclusion is that any new funding initiatives – for instance for rail freight or intermodal terminals - will be at the expense of existing programs once current guaranteed items have been dealt with. The burden thus seems, inevitably, likely to fall on rural roads, which is where the majority of Commonwealth funds are currently spent.

The desire to involve the private sector to a greater extent in project generation could bring risks if those involved in the negotiations are not of the highest calibre. The private sector is interested principally in commercial factors, with economic, social or environmental outcomes of secondary importance. Experience with privatisation overseas outside the road sector is not promising. The recent abandonment of Melbourne’s trains and trams because their UK owner could not make money out of them is a clear local pointer to private sector priorities.

The implementation of AusLink will call for higher public sector skills not just in negotiating with the private sector but also assessing potential projects. There are no educational initiatives mentioned within the Green Paper to ensure that such skills will be available in the required quantities and places.

## ***The Yellow Hat – Optimism***

AusLink is potentially a major reform if the three spheres of Government all act together. Integration of Commonwealth, State and Local Government infrastructure planning would be highly desirable and, if an appropriate Intergovernmental Agreement can be achieved, a major step forward.

Likewise the integration of transport policy elements, as listed on P94 of the Green Paper, is a worthy long term goal.

P26 of the Green Paper mentions the need for the integration of land use planning and transport planning, but there seems to be an implication that the main purpose of this is to benefit Commonwealth-funded projects. Given the relatively sparse nature of Commonwealth interest compared to State concerns, and the responsibility of State Governments rather than the Commonwealth for the development of our major cities, one would expect a national planning framework to be integrated with (in particular) metropolitan ones rather than vice versa.

Of all the potential areas for reform, the pricing of access to and use of infrastructure would be perhaps one of the most effective. The Green Paper is ambivalent about the Commonwealth's role in this. While it says on P35 that "better pricing is an important component of a strategy to develop sustainable transport systems", it follows this by stating on P36 "AusLink is not the forum to solve the issue of pricing". Reform of infrastructure funding without addressing infrastructure pricing seems unnecessarily timid.

We note that public transport fares are an integral part of infrastructure pricing.

Finally, we note that if the three-sector categorisation (commercial, private, public) of transport infrastructure use is accepted as valid, then it is surely a matter of national concern that the private transport sector really only caters for one type of vehicle, namely the car. Sustainability concerns would suggest that adequate bicycle infrastructure in our major cities would be of national significance, given that the bicycle is now recognised as a legitimate mode of personal transportation by all spheres of Government.

## ***The Green Hat – Alternatives***

The AusLink Green Paper is drawn up with a curious view of what the Commonwealth is responsible for and what it is not.

We currently have no view as to whether it should be responsible for more or for less than current arrangements, but either would be more intellectually justifiable than the present scope. Therefore we can see two alternative approaches – the minimal, or the interventionist.

Under the minimal approach, the Commonwealth would withdraw from all transport infrastructure projects (but would retain a facilitatory role for multi-state projects). This would require the transfer of funds to State Governments – possibly by removal of fuel excise on petrol and legal instruments to allow the States to impose some sort of environmental charge on road use, the proceeds from which would be hypothecated to transport improvement.

Alternatively, embrace urban public transport and other facets of urban transport (eg freight) as being of national importance, adopt some national objectives (eg specify what public transport is for, define greenhouse gas reduction targets for urban transport, recognise the link between immigration levels and urban infrastructure needs), review the federal government impact on transport through its taxation policies, and evolve an infrastructure assessment regime to reflect these issues. In other words, policy development first and infrastructure funding reform second, rather than the reverse procedure proposed in the Green Paper.

### ***The Blue Hat – Synthesis***

The overwhelming message from the foregoing is that “the devil is in the detail”. The Green Paper is very short on providing detail, and the time allowed between Green and White Papers is very short to develop it.

There is a clear desire not to upset existing funding channels, with the honouring of current commitments and the “earmarking” of certain amounts for specified purposes (eg for a regional component of expenditure). Again, with no indication of how much, we must wait for further details. Earmarking funds does seem to contradict the principle of “a single flexible funding programme”.

Clarity in project evaluation is a key requirement.

P87 of the Green Paper proposes twelve “key principles” for AusLink:

- National focus
- Longer-term focus
- Network focus
- Continuous improvement
- Competition
- Reciprocal responsibility
- Sustainability
- Consistency
- Innovation
- Transparency, rigour and accountability
- Value for money
- Equity

These seem to omit a key question, namely the role of Governments. Perhaps “sustainability” is the closest equivalent (“A critical AusLink objective is to achieve more sustainable transport systems”), but the Green Paper offers little explanation of what this means.

- The AusLink objectives refer to our obligation to sustain the environment.
- On pxiv there is reference to environmental sustainability (and asserting that rail freight is more sustainable than road freight – if this is so, one wonders why pricing reform is not on the agenda to render government intervention in funding unnecessary).
- On p35 pricing reform is noted as important for sustainable transport (without indicating what that means), before abdicating from dealing with pricing as an element of AusLink.
- On p42 the emphasis is on economic sustainability, with a motherhood overlay regarding safety, social impacts and environmental consequences. The implication is that not proceeding with AusLink is unsustainable. There is no demonstration of how proceeding with it is sustainable.
- On p63 “sustainable access to local services” is mentioned without explanation.
- On p66 a section is headed “promoting regional economic growth and sustainability” but the text does not elaborate on sustainability.

It is a pity that principle ten (“rigour”) does not seem to have been applied to the concept of sustainability.

## ***Summary***

The intentions of the AusLink package are laudable in principle, as far as they go.

Detail on how they will be applied is lacking.

The scope is limited and does not recognise the way in which Commonwealth policies affect the transport sector in ways other than infrastructure funding.

The intention is for an integrated National Transport Policy to evolve out of a reformed infrastructure funding system. This could be viewed as putting the cart before the horse.

It will be necessary for all spheres of Government to be acting in an integrated way if AusLink-type principles are to work in practice.

Many of the proposals seem to be related to the need to cater for rising freight demand, particularly non-bulk long distance freight. The possibly more sustainable alternative of dampening this growth in the physical movement of goods has not been canvassed, at least by the Green Paper.

*Feedback on these opinions can be e-mailed to : [david@kilsby.com.au](mailto:david@kilsby.com.au)*