

## **Review of Economic Costs of Freight Infrastructure and Efficient Approaches to Transport Pricing**

The Country Women's Association of NSW has been responding to Transport Inquiries and agitating for a fairer deal for country people for years. We have had numerous inquiries but still seem to have no results from any of them.

Consideration could perhaps be given that the budget for any future Inquiry into transport, roads or infrastructure could be allocated directly to roads and infrastructure and we forgo the Inquiry. If this happens often enough the need for Inquiries will disappear!

What happened to AUSLINK? Resolutions have repeatedly been passed at CWA State Conferences, calling for more adequate transport services, better and safer roads, the retention of rail lines, assistance in getting primary products to markets quickly and efficiently, etc. Such services are central to people's lives and their ability to support themselves and their families – and contribute billions of export dollars to the nation's economy. We are still seeking a fair deal as producers and consumers, yet competing with imports from subsidised industries.

The Federal Government collects \$14 billion in fuel excise, yet only \$2 billion is allocated for roads. State and Federal Governments constantly bicker over whose responsibility roads and infrastructure are, and the one level of government that seems to be lumped with so many of the problems is the one level that has very little ability to raise revenue - that being local government.

Australians are not interested in whose problem or whose responsibility it is, they just want someone to take the initiative and fix it. Sadly, the only time any government takes this attitude is around election time and then only in marginal electorates. Is it any wonder Australians are cynical about their governments!

Rail infrastructure has been allowed to run down in many parts of the country. The cost of replacement is high, but if our leaders in the Nineteenth Century were as paralysed by the thought of a budget in the red as are our current representatives, including Mr Costello himself, Australia would never have been opened up.

If debt is the result of a safer, more efficient transport system, then so be it. Politicians at both Federal and State levels have to think long-term, not in terms of the next election. They also have to begin thinking in terms of the whole country and the future, not restricting themselves to adversarial, combative initiatives.

In rural NSW, rail would be the preferred option for freight if:

- A) it was available;
- B) it was not priced out of producers' and consumers' reach.

Rail is preferred for freight because we know the costs of road sharing between huge mechanical monsters and school buses; between road trains and the family car; between B doubles and inexperienced drivers. We know

the damage done to road surfaces never meant to carry such a volume of vehicles as is now operating, such heavy vehicles and their loads and such physically large vehicles.

Every country community can name without thinking travellers who have lost control of their vehicles on unsafe road surfaces, unsafe as a result of the traffic they are expected to carry in contrast to the sort of traffic for which they were designed and built. Loss of life on the road is traumatic in any community; in our smaller rural communities it affects the whole village – yet these are the places that once had access to rail transport and no longer have it.

Competition between road transport operators has forced many drivers to break the law in terms of driving hours, just to make a living. We must have realistic freight rates and consumers must be prepared to accept them. An extra 1 cent on the cost of a carton of milk or a can of beans is a small price to pay for safer roads. We live in a "just in time environment" logistically and we have to be prepared to pay for it.

No-one carries stock anymore. Real estate is too expensive to have city and town warehouses full of stock. It is much more economically efficient to have it trucked in on an "as needs" basis. But not if it costs lives of road travellers.

If drivers have to operate under the influence of drugs to keep them awake to drive long hours to make a living because their customers are demanding cheap freight rates, then there is something drastically wrong with the industry. Drivers have actually said on television that they are safer driving wide awake with the aid of drugs than sleepy without them. What sort of an indictment is that on the industry and the community in general?

In John Anderson's AUSLINK outline, rail rated a tiny percentage of attention – it was basically road transport with which it was concerned. Governments at either level and of either (main) political persuasion have sold off, neglected or fragmented our rail freight infrastructure. They have a responsibility to the citizenry of the country to look beyond financial cost and see the social and community costs of transferring increasing amounts of freight to road.

Roads have had to bear the burden of this change; initiatives to fund better roads seem to last a little time, and then are abandoned. The NSW 3X3 tax is an example. Both levels of government collect high taxes on every litre of fuel purchased by motorists, including trucking companies. That money should be invested in a safer, fairer, more adequate transport system, but appears to disappear into general revenue.

Increasingly, local government is being handed the responsibility for roads, bridges, etc, yet Councils have very restricted ways to raise the funds necessary for maintenance, let alone for new infrastructure. It is not their responsibility. Everyone uses the roads, bridges etc., not just the rate payers of that Shire or Council. Again, both Federal and State Governments have a responsibility to fund transport infrastructure if they are passing on the responsibility of maintaining and improving that infrastructure to local bodies.

Jock Laurie, President of the NSW Farmers Association, has warned that an extra \$2 billion for state road and highways is necessary just in NSW - this is the total amount contributed by the Federal government from the fuel

excise of \$14 billion collected. Infrastructure needs to be the responsibility of everyone not just state and local governments.

Australians are some of the greatest travellers in the world, for all sorts of reasons. Naturally with such a large country this is understandable - transporting goods, travelling to visit family and friends, work related, tourism being just a few. We must have good, safe and reliable means of transport. However so much of that transport is road transport, which is probably the least safe of all. Instead of vehicles crossing Australia, nodes should be established and carriers operate in these areas.

In some areas of Europe, goods are transported by road to rail heads and the trucks loaded on the trains. This way they are off the road much of the time, but in addition the drivers have an opportunity to sleep while they are being moved by train. In Switzerland heavy transport has to be off the roads by 11 p.m. - this means that there are no heavy vehicles on the roads at night and all drivers are getting the required rest.

Yes, these measures may increase the cost of road transport but what price a life. The urban and regional consumer has to be prepared to face a freight charge similar to that paid by the rural remote consumer. It may be unpalatable at first, but we suspect that if it made for safer roads and was spread across the whole community, it would be acceptable.

Some questions for the inquiry:

- How much funding does the Federal Government allocate each year to research and development of safe modes of transport in Australia, for both passengers and freight?
- What level of subsidy does government at either level provide to entice investors to develop both more up to date materials for the manufacture of light weight rail trucks, for more up to date rail lines and for more up to date technology in general that would result in safer, cheaper, more accessible forms of freight infrastructure?

Surely such research and development should be a given in 2006, yet the flagship of research in Australia, the CSIRO, has seen its budget cut dramatically over the last decade.

Some points to ponder: a tonne of freight hauled by rail uses less than 1/3 of the fuel needed to haul it by road; B doubles, hauling bulk commodities, cause about 20,000 times more damage to the average road than the average car does; it has been estimated that every 1% of freight moved from road to rail will save the lives of two motorists per year and save another 5 from being injured.

Producers are told that if they want rail lines re-opened, they have to foot the cost, in line with the thinking of the Federal Treasurer, it seems from the scope of this inquiry. Yet it is the NATION that benefits from less road trauma – families, tax payers through health and social security costs, employers through not having to sustain the loss of an employee, etc, etc.

We believe that governments have a Duty of Care to their citizens and forcing increased heavy haulage onto country roads is an abrogation of that responsibility. Rail spurs have to be re-built and maintained to a good standard - both in rural depots and industrial centres.

Ironically the one mode of transport that seems to be overlooked in many instances is that of sea freight. There are many ships that, mostly unseen, carry vast quantities of ore, coal, grain and animals around the coastline of Australia and overseas. Sea transport of course requires no permanent highway infrastructure; it is the most fuel efficient of the 3 transport modes, generates the least greenhouse gas emissions and creates the smallest social impact. Only when we have a major oil spill, which fortunately is not often, are we reminded of the many ports around Australia being used for interstate and intrastate transport. Governments on the whole spend nothing on ports, most being funded by the shipping industry. All they require are good spur lines to be maintained for their efficient service.

Access to transport is a pivotal need for the survival of country communities. If the Federal Government is genuine in its claimed support for "the bush" it has to do more than seek ways to make life less safe, more expensive, less attractive, less fair, for those who do, after all, still produce a huge proportion of the country's export dollars.

If Australian producers are going to compete with overseas (largely subsidised) producers, they need government assistance, not necessarily financial, but in terms of research, for example, rather than being made responsible for the full cost of not only production but every phase of transportation of their product to market.

If we had one wish it would be electrification of the entire national rail system, as is the case in Japan, where the efficiency is to be envied. Yes, certainly it is hard to compare when one looks at the size of Australia in relation to Japan. But it is possible. Europe covers vast distances with electrified rail.

With enough forethought anything is possible. On 25th May 1961 President Kennedy told a joint sitting of Congress that his aim was to have a man land on the moon and return safely to earth, before the end of the decade. At that time he had no plan, structure or seemingly possible way to do it. However the dream became a reality on 20th July 1969 when Neil Armstrong walked on the moon.

We believe we need just one leader with enough vision to give Australia a safe and viable national transport infrastructure and system. The big question is how long we will have to wait to get that leader!

April 2006