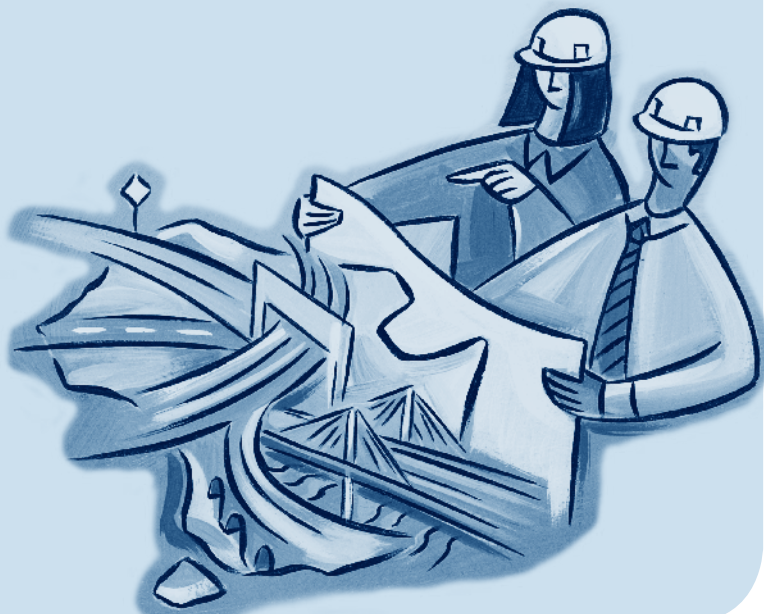


# CHAPTER 3

## Outcome 1—Infrastructure



# INFRASTRUCTURE

## What this chapter covers

This chapter describes the Department’s infrastructure outcome, Outcome 1, and its outputs and reports on performance for the individual outputs. Each report includes

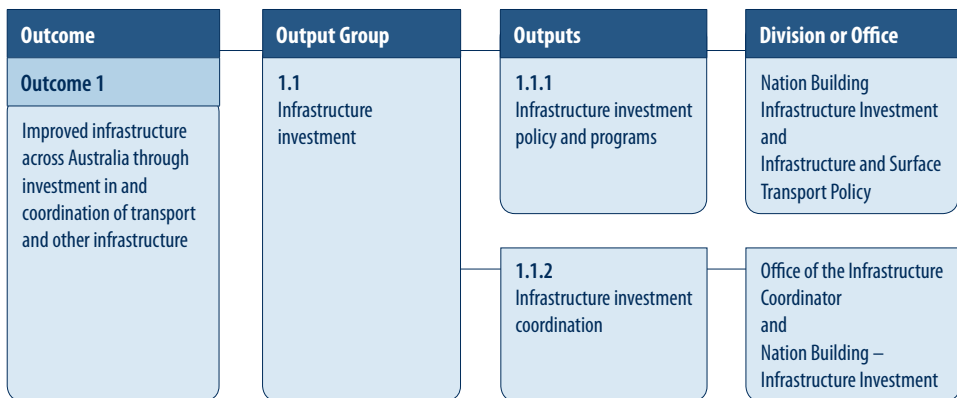
- an overview of the output’s functions and how it is delivered;
- a summary of the results for 2008–09 for the output and any associated administered programs against the key performance indicators and targets published in the 2008–09 Portfolio Budget Statements (PBS); and
- a detailed report on the performance of the output in 2008–09 against the applicable headings from the 2008–09 PBS.

## Outcome and outputs

Figure 3.1 shows the relationships between Outcome 1 and its outputs, and identifies the business division of the Department or office responsible for delivering the outputs.

Outcome 1 was updated on 17 December 2008 from ‘Assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors’ as appeared in the 2008–09 PBS.

Figure 3.1 Outcome 1 and outputs



## OUTPUT 1.1.1—INFRASTRUCTURE INVESTMENT POLICY AND PROGRAMS

### Highlights

During 2008–09, the Department administered programs that provided over \$5.2 billion in direct and indirect grants for the construction and maintenance of land transport infrastructure. This was a significant increase over the \$3 billion provided during 2007–08.

Funding in the 2008–09 Budget for land transport infrastructure was supplemented by over \$1 billion in additional appropriations as part of the Australian Government's economic stimulus plan, comprising:

- \$90 million additional funding for the road safety Black Spot Projects;
- \$150 million for repairing regional links on the national highway network;
- \$50 million for boom gates for rail crossings;
- \$328 million bring forward of investment to build better roads; and
- \$422 million as part of the \$1.2 billion equity injection in the Australian Rail Track Corporation which will be used to fund 17 rail projects.

The Department worked closely with Australian Government agencies, state and territory governments and the Australian Rail Track Corporation to administer this funding, and to implement other infrastructure initiatives announced as part of the Nation Building—Economic Stimulus Plan.

Funding for the Black Spot Projects increased significantly as a result of the economic stimulus plan. An increase from approximately \$54 million to \$145 million enabled an additional 456 projects to be approved in 2008–09. The additional funding for 2009–10 will result in 151 new projects. In total, 1,165 projects, including 607 additional projects, have been approved for funding across the two years.

The Department implemented a new \$150 million boom gates for rail crossings program to improve safety at 292 level crossings across Australia. At 30 June 2009, 30 projects were completed, 23 were undergoing construction and the remainder were in the planning and design stage.

The Department put in place arrangements for a \$1.2 billion equity investment in the Australian Rail Track Corporation for track upgrades and construction vital to boost the reliability and competitiveness of Australia's freight rail network. This covers 17 major projects, of which one was completed, nine were under construction and seven were in planning.

The Department received and assessed proposals for \$30 million worth of projects under the Heavy Vehicle Safety and Productivity program for 2008–09 and 2009–10. Projects were approved in all states and territories. The government expects to call for submissions for the remaining \$40 million of funding available under the program later in 2009.

All states and territories have signed National Partnership agreements covering land transport infrastructure projects for the period 2008–09 to 2013–14.

In the May 2009 Budget, the Australian Government announced that a further \$8.5 billion would be invested in nationally significant infrastructure projects on metropolitan rail networks, national road priorities and port infrastructure. Eleven of the 15 major infrastructure projects are being funded through the Building Australia Fund with all but four of the 15 projects receiving funding in 2008–09.

## Overview

Output 1.1.1 is delivered through the work of the Nation Building Infrastructure Investment and Infrastructure and Surface Transport Policy business divisions to increase the efficiency and safety of Australia's land transport infrastructure and:

- advises government on matters such as infrastructure priorities and regulatory barriers;
- supports working groups and taskforces of the Council of Australian Governments (COAG); and
- administers programs to improve the productivity and safety of the national land transport network.

In 2008–09, the *AusLink (National Land Transport) Act 2005* was amended and became the *Nation Building Program (National Land Transport) Act 2009*. Programs previously administered under the name 'AusLink' were renamed as 'Nation Building' programs. The output included the following administered programs:

- Nation Building Program Investment;
- Nation Building Black Spot Projects;
- Nation Building boom gates for rail crossings;
- Nation Building Heavy Vehicle Safety and Productivity;<sup>1</sup>
- Nation Building Roads to Recovery;
- Nation Building Off-Network Projects (formerly known as AusLink Strategic Regional);
- Nation Building Off-Network–Supplementary (formerly known as AusLink Strategic Regional–supplementary);
- Nation Building improving local roads;
- Nation Building improving the National Network;
- Nation Building Plan for the Future (Building Australia Fund);<sup>2</sup>
- Nation Building Plan for the Future (Investing in public transport links for our major cities);<sup>3</sup>
- Nation Building Funding for road projects other than under the *AusLink (National Land Transport) Act 2005*;
- Management of residual issues of former Australian National Railways Commission (ANR);
- Murray River Bridges–Federation Fund Project;<sup>4</sup> and
- Upgrade of the Mainline Interstate Railway Track.<sup>5</sup>

The budget and actual expenditure for each administered program is listed in Appendix A.

## Summary of performance

Table 3.1 summarises the Department's results in delivering Output 1.1.1, against the key performance indicators and targets published in the 2008–09 PBS.

- 1 Referred to previously as Nation Building Heavy Vehicle Safety.
- 2 This program was a new measure announced in the 2009–10 PBS.
- 3 This program was a new measure announced in the 2009–10 PBS with funding for 2008–09. Under the new Federal Financial Relations framework, effective 1 January 2009, the Treasury is responsible for payments to state and territory governments. Hence this program does not appear in Appendix A Table A.5 'Administered program expenses—Outcome 1'. Further information on this administered program can be found in the Treasury's PBS program information.
- 4 Under the new Federal Financial Relations framework, effective 1 January 2009, the Treasury is responsible for payments to state and territory governments. Hence this program does not appear in Appendix A Table A.5 'Administered program expenses—Outcome 1'. Further information on this administered program can be found in the Treasury's PBS program information.
- 5 This program was closed in 2008–09 and the budget of \$20 million was transferred to Nation Building Program Investment in the 2008–09 Portfolio Additional Estimates Statements.

Table 3.1 Summary of performance—Output 1.1.1

Key performance indicator	Target	Result
<b>Outputs</b>		
<i>Collaborate with state, territory and local governments to plan and evaluate land transport investments consistent with government priorities</i>	Establish the land transport infrastructure investment program between the Australian, state, territory and local governments for the 2009–10 to 2013–14 periods.	National Partnership agreements were negotiated and signed with the states and territories between February and April 2009. The agreements cover land transport infrastructure investment over the six years from 2008–09 to 2013–14.
<i>Coordinate the Road Reform Plan (Phase 1) report for COAG and the ATC</i>	By December 2008.	The Department coordinated cross-jurisdictional research into possible future reform of heavy vehicle charging arrangements. The research was used to draft a Phase 1 report in consultation with the states and territories. The report was considered by the Australian Transport Council (ATC) in May 2009 and by COAG in July 2009, and provided the basis for a COAG decision to proceed to Phase 2 of the COAG Road Reform Plan.

Table 3.2 provides a summary of the results achieved by each of the programs administered under Output 1.1.1 against the key performance indicators and targets published in the 2008–09 PBS.

Table 3.2 Summary of performance—Output 1.1.1 administered programs

Key performance indicators and targets	
Applicable administered program	Key performance indicator Target
All programs	<i>Efficient and effective management of administered programs</i> Programs are administered in accordance with relevant legislation, published guidelines and ANAO guidance.
<b>Results</b>	
Administered program	Results
Nation Building Program Investment <sup>a</sup>	The Department administered more than \$3 billion of funding to states and territories, resulting in the progress of over 180 major road projects across Australia.
Nation Building Black Spot Projects	The Department administered \$145 million in support for projects to improve road safety at identified crash sites. The program has reduced the risk of crashes through measures such as traffic lights, roundabouts, signage and edge sealing at dangerous locations on roads around Australia.
Nation Building boom gates for rail crossings	\$150 million was approved for the program, of which \$50 million was provided to the states and the Northern Territory for 2008–09, and 292 level crossing upgrade projects were approved for funding in 2008–09 and 2009–10. At 30 June 2009, 30 projects had been completed, 23 were under construction and the remainder were in the planning, design and tendering stages.

Table 3.2 continued.

Results	
Administered program	Results
Nation Building Heavy Vehicle Safety and Productivity	The \$70 million program was successfully established in line with relevant legislation for administered funds, as well as the ANAO <i>Administration of Grants: Better Practice Guide</i> . In 2008–09, \$10 million of funding was administered on 150 projects.
Nation Building Roads to Recovery	The Department administered funding for a range of purposes, including road work, bridge work and the installation of traffic lights. Councils were required to lodge audited financial statements stating how they spent the program funds.
Nation Building Off-Network Projects (formerly AusLink Strategic Regional)	The Department administered payments to state governments and local councils, totalling \$100 million, for the construction and planning of Off-Network projects; 38 projects were completed in 2008–09.
Nation Building Off-Network Projects – supplementary (formerly AusLink Strategic Regional – supplementary)	In 2006–07, the Department distributed \$250 million to state government and local councils. Total funding expended over life of program up to 30 June 2009 amounted to \$112 million. For the 2008–09 period, \$66 million was expended and 19 projects were completed.
Nation Building improving local roads	In June 2006, the Department distributed \$308 million to local councils, three state governments, the Northern Territory Government and the Indian Ocean Territories. Total funding expended over life of program up to 30 June 2009 amounted to \$302 million, with \$79 million expended in 2008–09. The councils are required to lodge reports on their use of the funds during 2008–09 by 31 October 2009.
Nation Building improving the National Network	In June 2006 the then Australian Government provided \$1.8 billion as prepayments to NSW, Qld, WA, SA, NT and Tas to accelerate works on various highways on the National Network under National Partnership agreements. The funding is administered under 10 separate project approvals, with the jurisdictions reporting each month on expenditure progress against approved funding. Total expenses raised over life to 30 June 2009 amounted to \$1.6 billion, with \$853 million expended in 2008–09.
Nation Building Plan for the Future (Building Australia Fund)	By July 2009 all relevant state and territory governments had agreed to amendments to the original National Partnership agreements signed in April 2009 that addressed the major infrastructure projects.
Nation Building Plan for the Future (Investing in public transport links for our major cities)	By July 2009 all relevant state and territory governments had agreed to amendments to the original National Partnership agreements signed in April 2009 that addressed the major infrastructure projects.
Nation Building Funding for road projects other than under the <i>AusLink (National Land Transport) Act 2005</i>	Under this program the Department funded a detailed feasibility study undertaken by the City of Whitehorse Council. The program closed in 2008–09.
Management of residual issues of former Australian National Railways Commission (AN)	The Department acquired intellectual property rights over the plans and other records in the AN Plan Room, in preparation for the archiving and sentencing process.  Preliminary work associated with the proposed disposal of locomotive GM1 was undertaken in 2008–09. The tender process is expected to commence in late 2009.
Murray River Bridges – Federation Fund	The Australian Government committed \$1 million in 2008–09 to support further planning. The Federation Fund was closed on 23 February 2009.

a The former administered program Upgrade of the Mainline Interstate Railway Track was incorporated into Nation Building Program Investment in the 2008–09 Portfolio Additional Estimates Statements.

Note: Programs previously administered under the name 'AusLink' were renamed as Nation Building programs in 2008–09.

## Detailed report on performance

The following report is against the headings from the applicable output from the 2008–09 PBS. Please note that for this output, the section 'IX Major Infrastructure Projects' has been added to address the government's announcement in May 2009 of the investment in 15 nationally significant road, rail and port infrastructure projects.

### I Infrastructure policy initiatives

Specific activities included:

- providing advice to government on land transport priorities and the establishment of Infrastructure Australia;
- drafting National Partnership agreements with state and territory governments to implement Nation Building projects;
- providing advice on amendments to the *AusLink (National Land Transport) Act 2005*, which is now the *Nation Building Program (National Land Transport) Act 2009*;
- contributing to the work of the COAG Infrastructure Working Group and subgroups; and
- contributing to the Australian Government's submission on the audit of nationally significant infrastructure conducted by Infrastructure Australia.

The work of Infrastructure Australia is described in more detail in the report on its performance in Chapter 6.

### Land transport priorities

In the 2008–09 Budget, the government allocated \$559 million to fund an early start on 45 high-priority road and rail projects. The Department worked closely with state and territory governments to accelerate progress on these projects during 2008–09.

In December 2008, the government announced that \$711 million would be brought forward for financial years 2008–09 and 2009–10 to accelerate the commencement of 14 high-priority road projects (including seven of the projects funded to start early in the 2008–09 Budget).

The Department, through extensive consultation with state and territory governments, ensured that all projects were approved during 2008–09, with 13 of the 14 projects having commenced by 30 June 2009.

In the 2009–10 Budget, the government announced that a further \$8.5 billion would be invested in nationally significant infrastructure projects on metropolitan rail networks, national road priorities and port infrastructure. Funding for these projects will be drawn from monies set aside for Nation Building, including the Building Australia Fund. The Building Australia Fund was established in the 2008–09 Budget to fund critical transport, communications, broadband, water and energy infrastructure.

The major infrastructure projects were incorporated into the Nation Building Program National Partnership agreements, which provide the framework for administering the funds with states and territories.

**Table 3.3 Infrastructure projects announced in the 2009-10 Budget**

<b>Building Australia Fund Projects</b>	
Hunter Expressway <sup>a</sup> New South Wales	The government committed \$1.5 billion for the construction of a link road between the F3 near Newcastle and the New England Highway near Branxton. The 40 kilometre dual-carriageway will cut travel times between Newcastle and the Hunter Valley, reduce traffic congestion and meet the future freight requirements of the region. Construction will occur between 2010 and 2013 and directly support up to 800 local jobs.
Kempsey Bypass <sup>a</sup> New South Wales	The government committed \$618 million to the construction of the Kempsey Bypass on the Pacific Highway. Construction is scheduled to commence in 2010 and is expected to be completed by 2014.
West Metro <sup>a</sup> New South Wales	The government committed \$91 million to the West Metro for preconstruction, planning, design and engineering works.
Ipswich Motorway Queensland	The government committed \$884 million to the Ipswich Motorway in Brisbane. Of this, \$750 million was for extra works along the Dinmore to Goodna section of the motorway to increase road capacity, improve safety and congestion; \$124 million was provided to construct Stage 2 of the Wacol to Darra section of the project, which addresses safety and congestion issues; and \$10 million was committed to undertake planning for the Darra to Rocklea section.
Gold Coast Light Rail Queensland	The government committed \$365 million to the development of a 13 kilometre light rail transit system linking key activity centres from the Griffith University (Gold Coast Campus) to Broadbeach.
Regional Rail Express <sup>a</sup> Victoria	The government committed \$3.2 billion towards the provision of approximately 40 kilometres of dual track link from West Werribee to the Southern Cross Station in central Melbourne via Sunshine.
East–West Rail Tunnel Victoria	The government committed \$40 million towards pre-construction planning, design and engineering works for the East West Rail Tunnel in inner-city Melbourne.
Gawler Rail Line Modernisation <sup>a</sup> South Australia	The government committed \$294 million to the re-sleepering and electrification of 43 kilometres of the Gawler line.
Noarlunga to Seaford Rail Extension <sup>a</sup> South Australia	The government committed \$291 million to extend the passenger rail services from Noarlunga to Seaford with bus feeder services feeding into the Seaford district centre. The project provides for the construction of 5.5 kilometres of dual electrified rail track from Noarlunga to Seaford, with a single track viaduct (1.2 kilometre) across the Onkaparinga River, two stations (Seaford Meadows and Seaford terminus) and a rail depot at Seaford Meadows. Two rail bridges are proposed, the main one being over the Onkaparinga Valley and River Road, and the other over Old Honeypot Road. Three road bridges are proposed at Goldsmith Drive, Seaford Road and Lynton Avenue.
Oakajee Port <sup>b</sup>	The government committed \$339 million for the development of common user facilities at Oakajee Port subject to further consideration of the project by Infrastructure Australia.
Darwin Port <sup>b</sup>	The government committed \$50 million towards the development of Darwin Port to accommodate large ships suited to the transportation of bulk resources and commodities, subject to further consideration of the project by Infrastructure Australia.

Table 3.3 continued.

Investing in public transport links for our major cities	
Northbridge Rail Link (the Hub) <sup>a</sup> Western Australia	The government committed \$236 million for the sinking of 300 metres of the Fremantle passenger rail line along with consequential changes to platforms at Perth Station and additional track upgrades.
Brisbane Inner City Rail Feasibility Study <sup>a</sup> Queensland	Two new rail tunnel corridors — north to south and west to north — through inner city Brisbane have been identified to meet growing demand for rail services in Brisbane. The Government committed \$20 million towards a detailed feasibility and planning study to help determine the optimal rail route and develop a business case to support the project.
O–Bahn Track Extension <sup>a</sup> South Australia	The government committed \$61 million for a program of works that includes provision of on-road bus priority along Hackney Road and Dequetteville Terrace by providing a single reversible bus lane in the median, including traffic signal improvements, a two-way dedicated bus corridor along Rundle Road, and two-way dedicated bus lanes in Grenfell and Currie streets.
Investing in road safety	
Bruce Highway Queensland	The government committed \$488 million to upgrade the Bruce Highway between Cooroy and Curra in south-east Queensland.

a Indicates funding commenced in 2008–09.

b Indicates funding is subject to further consideration of the project by Infrastructure Australia.

### National Partnership agreements for the Nation Building Program and Major Infrastructure Projects

The Department finalised National Partnership agreements for the government's land transport investment program for 2008–09 to 2013–14 which reflect the COAG financial arrangements for National Partnership payments. The agreements cover the project commitments for the six-year period from 2008–09 with the state and territory governments and outline the Australian Government's expectations for the delivery of projects.

By April 2009, all state and territory governments had signed the agreements setting out the arrangements for the implementation of the Nation Building Program. Relevant state and territory governments agreed to amendments incorporating the major infrastructure projects by July 2009.

### Infrastructure Working Group

The COAG Infrastructure Working Group, chaired by the Minister for Infrastructure, Transport, Regional Development and Local Government and comprising representatives of the Australian Government and state and territory governments, met three times in 2008–09. The Department is represented on the group and provides secretariat services.

The Infrastructure Working Group actively supported the work of Infrastructure Australia by helping to coordinate state and territory input to the national infrastructure audit. It also worked with Infrastructure Australia on the development of public–private partnership guidelines, and formed subgroups to manage particular tasks and liaise with other COAG working groups. These include the Major Infrastructure Approvals Processes subgroup, which was set up to evaluate current planning approval processes and consider options for reform.

## II Raising the standard of land transport infrastructure

In 2008–09, a total of 52 new land transport infrastructure projects commenced. They included 45 projects that received additional funding to accelerate their commencement in the 2008–09 Budget and/or the government's December 2008 decision to bring forward extra funds for 14 high-priority projects.

The rail projects completed in 2008–09 are listed in Table 3.4. The 22 road projects that were completed in 2008–09 are shown in Table 3.5.

**Table 3.4 Rail projects completed in 2008–09**

State	Project
Victoria	<ul style="list-style-type: none"> <li>• Bi-Directional Rail Line between Tottenham Junction and West Footscray.</li> <li>• 22 rail level crossing projects</li> </ul>
Queensland	<ul style="list-style-type: none"> <li>• Eight rail level crossing projects</li> </ul>
Western Australia	<ul style="list-style-type: none"> <li>• WA Grain Freight Review</li> </ul>
South Australia	<ul style="list-style-type: none"> <li>• Eyre Peninsula Grain Rail Project</li> </ul>

**Table 3.5 Road projects completed in 2008–09**

State	Project
New South Wales	<ul style="list-style-type: none"> <li>• Pacific Highway , Bonville Deviation</li> <li>• F5 Widening (northbound) Brooks Road to Camden Valley Way</li> <li>• Hume Highway, Sheahan Bridge</li> </ul>
Victoria	<ul style="list-style-type: none"> <li>• Calder Highway, Between Kyneton to Ravenswood</li> <li>• Deer Park Bypass and upgraded intersection at Leakes Road</li> <li>• Hume Freeway, Donnybrook Road grade separation</li> <li>• Princes Freeway, Geelong Bypass (stages 1, 2 and 3)</li> </ul>
Queensland	<ul style="list-style-type: none"> <li>• Cunningham Highway, Eight Mile Intersection Bruce Highway , Gympie Four-laning and Upgrading Stage 2, Monkland Street to Channon Street</li> <li>• Strategic Corridor Program, Warrego Highway , Mitchell Township Rehabilitation Stage 1, Louisa Street to Ann Street</li> <li>• Accelerated Bruce Highway Package, Mulgrave River Bridge</li> <li>• Accelerated Bruce Highway Package, Tokalon to Lannercost Street</li> <li>• Toowoomba Bypass Public–Private Partnership Business Case Study</li> <li>• Townsville Ring Road (Shaw Road)</li> <li>• Accelerated Bruce Highway Package Tully Flood Immunity</li> <li>• Accelerated Bruce Highway Package, Woodlands to Veales Upgrade</li> </ul>
Western Australia	<ul style="list-style-type: none"> <li>• Great Northern Highway Accelerated Upgrade Package, Big Mabel Bridge</li> <li>• Great Eastern Highway Accelerated Upgrade Package, Tammin to Walgoolan Reconstruction and Widening</li> <li>• Great Northern Highway Accelerated Upgrade Package Upgrade of Walebing to Bindi Bindi section (part of the Muchea to Wubin Upgrade)</li> </ul>

Table 3.5 continued.

State	Project
South Australia	<ul style="list-style-type: none"> <li>• Sturt Highway Accelerated Upgrade Package, Accommodation Hill Upgrade, Paringa Bridge Upgrade and Shoulder Sealing between Paringa and the Victorian border</li> <li>• Port River Expressway Stages 2 and 3</li> <li>• Port Wakefield Road Upgrade (part of the Northern Expressway and Port Wakefield Road Upgrade project)</li> </ul>
Northern Territory	<ul style="list-style-type: none"> <li>• Tiger Brennan Drive/Berrimah Road, Darwin East Arm Port Access Project Stage 1, Berrimah Road Duplication</li> </ul>

### III Remedial road projects to improve safety and productivity

To improve the safety and productivity of roads across Australia, the Department manages the Black Spot Projects and the Heavy Vehicle Safety and Productivity program components of the government's Nation Building Program. In 2008–09, the Department also administered targeted funding to improve safety at railway crossings.

#### Black Spot Projects

Black Spot Projects improve the safety of road sites which have been identified as high-risk areas for serious crashes. Most funding goes to projects to treat sites with a record of at least three accidents involving casualties over a five-year period that can demonstrate a robust benefit to cost ratio of at least 2:1.

In 2008–09, the Department continued to work with state and territory agencies to ensure that the program was administered efficiently and cost-effectively across all jurisdictions.

The number of Black Spot Projects approved varies each year depending on the cost of approved works. 1,165 black spot projects have been approved for treatment over the years 2008–09 and 2009–10; 607 of these projects were approved as a direct result of the economic stimulus plan. Payments for Black Spots in 2008–09 totalled \$145 million.

#### Heavy Vehicle Safety and Productivity

The Heavy Vehicle Safety and Productivity program was successfully established in 2008–09. The program has total funding of \$70 million; in 2008–09 the Department assessed 150 projects for the first round of funding, worth \$30 million.

A total of \$10 million of the funding was paid to state and territory governments in 2008–09, primarily to fund planning activities for approved projects that will directly improve the safety and productivity of heavy vehicles on Australian roads. Approved works included providing new rest areas and parking/decoupling bays, upgrading existing rest areas and parking/decoupling bays, and increasing the load-bearing capacity of bridges.

#### Boom gates for rail crossings

The government is investing \$150 million over 2008–09 and 2009–10 to install boom gates and other safety measures at 292 high-risk level crossings around Australia. The work will improve safety for road users, train drivers and pedestrians.

At 30 June 2009, 30 projects had been completed; 22 in Victoria and eight in Queensland. A further 23 projects were under construction and the remainder were in the planning, design and tendering stages.

#### IV Increasing the ability of local councils to improve land transport infrastructure

The Department administers the Nation Building Roads to Recovery program, which provides direct funding to assist local governments to improve transport infrastructure, and administers funding for specific projects to improve land transport infrastructure projects at the regional and local levels.

##### Nation Building Roads to Recovery

The Nation Building Roads to Recovery program provides funding for projects at a local level. In 2008–09, a total of \$355 million was paid under the program to local councils, three state governments, the Northern Territory Government and the Indian Ocean Territories. Each local authority across Australia is guaranteed a share of the program funding. Over the period 2009–10 to 2013–14, \$1.8 billion will be paid to councils.

Shares are determined by a formula, based on population and road length, set by the local government grants commission in each state and the Northern Territory. Money is paid directly by the Australian Government to each council. Decisions on projects to be funded are made locally and reported to the Australian Government.

##### Nation Building Off-Network Projects

Funds are provided under this program to improve regional and local transport infrastructure networks, improve safety, assist industry development and support job creation in local communities.

The Australian Government committed \$680.2 million to 41 Off-Network projects from 2008–09 to 2013–14. During 2008–09, the Department assessed a number of project proposals; at 30 June 2009, 17 projects had been approved. This includes projects such as the Mandurah Entrance Road project which will provide a safe and efficient link between the Kwinana Freeway Extension and Mandurah in Western Australia.

#### V Improving access, connections and railway track efficiency

The Department oversees the Australian Rail Track Corporation, manages a range of programs and provides policy advice to improve access and transport connections, including improving the efficiency and safety of rail infrastructure.

##### Rail infrastructure improvements

In 2008–09, the Department put in place arrangements for an equity investment of \$1.2 billion in the Australian Rail Track Corporation, to fund a capital works program of 17 projects that will improve its interstate track network and increase capacity in the Hunter Valley to move export coal. The achievements of the Australian Rail Track Corporation's investment program and programs managed by the Department in 2008–09 to improve track efficiency and rail safety included the following:

- in total, 1.2 million concrete sleepers were laid across interstate rail lines managed and operated by the Australian Rail Track Corporation; and
- the upgrade of the north coast line between Sydney and Brisbane was completed, reducing average transit times by up to 2 hours and 22 minutes for trains hauling steel between Morandoo in New South Wales and Acacia Ridge in Queensland. This major program of works included the installation of about 515,000 new concrete sleepers and 127,000 tonnes of ballast, a new Centralised Train Control signalling system and 12 new passing lanes and loops; and the re-laying of about 350 kilometres of track.

The Tasmanian Rail Rescue Package, which received funding of more than \$30 million, continued with vital upgrades and maintenance works on railway bridges and level crossings, as well as the replacement of degraded sleepers and rails. These measures will improve the efficiency and reliability of the Tasmanian rail network.

Under the Funding for Road Projects other than under the *Nation Building Program (National Land Transport) Act 2009* program, administered by the Department, the government is providing \$80 million for works to improve road safety, reduce traffic congestion and provide better access to public transport facilities at the intersection of Springvale Road and Whitehorse Road in Nunawading, Victoria. The project involves the grade separation of the railway crossing by lowering the tracks below Springvale Road; the installation of a new railway station and other major improvements to safety and access to public transport in the area.

### **Murray River Bridges – Federation Fund**

This project was announced under the Federation Fund in 1998 to provide a new crossing of the Murray River between Echuca and Moama on the Victoria–New South Wales border. The project was significantly delayed as a result of negotiations with Indigenous land owners over corridor selection. In 2008–09, the government received a project proposal report and committed \$1 million to support the planning phase of the project. However, as a result of the significant delays the government took a decision to close the Special Account holding the Federation Fund monies on 23 February 2009. The remaining \$14 million committed to this project was returned to the Treasury. The government will consider a funding proposal in the future, when the project is ready to proceed.

### **Rail infrastructure research**

The Department conducts and supports research to inform the development of infrastructure policy. In 2008–09, the Department engaged the Port Kembla Port Corporation to undertake a pre-feasibility study on the Maldon–Dombarton Rail Line. The purpose of the study was to inform the government of the value of conducting a further more detailed feasibility analysis for undertaking construction of this rail line. The final report of the study is available on the Department’s website. On 8 July 2009, the government announced funding for a complete feasibility study. This study is expected to commence in late 2009 and be completed in about 18 months.

During 2008–09, the government commissioned the Australian Rail Track Corporation to commence the \$15 million Inland Rail Alignment Study. The study commenced in September 2008 and will determine the optimal alignment of an inland railway between Melbourne and Brisbane, its likely cost, the expected market take-up and the potential level of private sector support for the project. Working papers from the study are available on the Australian Rail Track Corporation’s website, at <[www.artc.com.au](http://www.artc.com.au)>. The study is expected to be completed by the end of 2009.

The Department commenced studies to determine ways to improve the effectiveness of the grain freight networks in New South Wales and Western Australia. The purpose of the studies is to identify and analyse improvements required to increase the efficiency of the grain freight network from farm consolidation points to port and to identify how best to ensure the most appropriate modes of transport are used to move grain efficiently through the supply chain to enhance its long term sustainability.

Two major forward-looking studies began in South Australia in 2008–09:

- in cooperation with the South Australian Government, the Department commenced a \$4 million study to analyse urban congestion to 2030 and identify improvements that need to be made to public transport networks, road networks, traffic management, land use and demand management; and
- the Department commenced a \$3 million study to analyse the capacity of Adelaide’s rail freight network to meet the forecast freight demand to 2037.

### **Rail safety policy**

In 2008–09, the Department was represented on two Australian Transport Council (ATC) working groups which aim to facilitate and improve rail safety nationally: the Rail Level Crossing Group and the Rail Safety Policy and Regulation Group.

The Department reviewed the funding arrangements for the Rail Industry Safety and Standards Board. The board develops codes of practice, guidelines, standards and rules for the rail industry. The ATC has agreed to extend the funding arrangements and to renew the memorandum of understanding for the board to provide those services.

The Department assists the ATC to deliver effective progress on the COAG transport reform agenda for rail. This includes working with the National Transport Commission (NTC), an independent statutory body that advises Australian transport ministers on regulatory and operational reforms for transport. In 2008–09, this collaboration focused on putting appropriate mechanisms in place for a single national rail safety regulator by June 2011 to establish a fully operational national rail safety regulator by June 2012. The NTC prepared a regulation impact statement, which the Standing Committee on Transport and the ATC endorsed for COAG approval.

The Department continued to monitor the implementation of model legislation for rail safety that was developed by the NTC and approved by the ATC in 2006. At 30 June 2009, New South Wales, Victoria and South Australia had implemented the legislation; the legislation was being considered by the Queensland Parliament; and Western Australia, Tasmania and the Northern Territory planned to introduce the legislation as soon as possible.

### **Residual issues of the former Australian National Railways Commission**

In 2008–09, the Department acquired the intellectual property rights over the plans and records of the defunct Australian National Railways Commission, kept at the Plan Room in Islington, South Australia. This is the first step in the formal archiving and sentencing process that will eventually wind down the last of the Australian Government's interest in the former commission.

Tender documents for the disposal of Australian National Railways Commission locomotive GM1 were prepared in 2008–09. The tender process is expected to commence in late 2009.

### **VI Major Projects Facilitation**

The Major Project Facilitation (MPF) program is designed to encourage productive and sustainable private sector investment in infrastructure projects that will take advantage of Australia's scientific, technological and human capital, and foster long-term productivity growth in the Australian economy. The program is coordinated by the Department and is open to all industry sectors.

MPF is a service available to eligible projects. For projects awarded MPF status the service:

- assists in coordinating all necessary Australian Government approvals processes and ensures that these processes are coordinated with relevant state and territory government processes, so they occur simultaneously and with minimal duplication;
- provides links to appropriate Australian Government assistance programs, and liaison with national, state and territory industry development and investment agencies; and
- ensures other government agencies respond promptly to any issues that proponents raise during the approval process, so projects can proceed to development as quickly as possible.

Projects are currently being facilitated in the oil, gas and minerals; agribusiness; renewable energy; and advanced manufacturing sectors. They include the development of onshore and offshore gas fields and the construction of associated pipelines; solar cell development; coal, copper, cobalt and nickel mining and associated rail and port infrastructure; and wave power plant and wind farm construction.

In June 2009, the Department launched a website dedicated to the MPF, at <[www.majorprojectfacilitation.gov.au](http://www.majorprojectfacilitation.gov.au)>.

### **VII COAG Business Regulation and Competition Working Group and COAG Reform Council<sup>1</sup>**

COAG established a number of working groups, chaired by Australian Government ministers, to coordinate delivery of reforms that span ministerial councils. The Business Regulation and Competition Working Group, chaired by the Minister for Finance and Deregulation, was created to accelerate and broaden the regulation reduction agenda.

The COAG Reform Council is an independent body established by COAG in 2007 to evaluate and report to COAG on the performance of governments in delivering a number of agreed reforms under the National Reform Agenda.

Both of these bodies have a role in the delivery of a number of transport reforms, including the COAG Road Reform Plan and earlier agreed COAG road productivity initiatives.

1 This heading appeared in the 2008–09 PBS as 'COAG Infrastructure Working Group and COAG Business Regulation and Competition Working Group.'

The Department provided periodic reports to the Working Group and Reform Council on progress towards the achievement of the agreed road transport reforms. It also consulted with them on future reform milestones, options for building on measures agreed by COAG and the scope to accelerate reforms.

## VIII COAG Road Reform Plan

In April 2007, COAG agreed to a Road Reform Plan to improve road freight productivity and more efficiently meet the forecast growth in the national freight task. Phase 1 of the plan includes a number of milestones, including early updating of existing heavy vehicle charges and research targeted at setting the foundations for later decisions by COAG on the merits of a move over the longer term towards more direct charging of heavy vehicles.

### Heavy vehicle charges determination

In February 2008, the ATC agreed to implement new heavy vehicle charges to fully recover the proportion of government road spending that is attributable to the use of the road network by the sector. The new charges also remove cross-subsidies between certain heavy vehicle classes, reducing arrangements which financially disadvantaged smaller trucks. Attempts to implement the road user charge element of the determination during 2007–08 were unsuccessful in the Senate.

During 2008–09 the Department provided advice to the government on legislative options to deliver the new charges and assisted in preparing legislation that was passed by the Parliament. The new charges were a condition for the funding of the Nation Building Heavy Vehicle Safety and Productivity Program, and passage of the new charges allowed the program to be established by the Department in 2008–09.

### Heavy vehicle charges research

Phase 1 of the Road Reform Plan includes milestones aimed at informing future government consideration of the next generation of heavy vehicle charges to better align road charges with the impact that individual vehicles have on the road network (a move towards heavy vehicle charges based on mass, distance and location). The Department provided secretariat services for the COAG Road Reform Taskforce, which was responsible for delivering these research milestones.

The Department coordinated cross-jurisdictional research into possible future elements of reformed heavy vehicle charging arrangements, and used the results to draft a Phase 1 report, in consultation with state and territory agencies. The report was considered by the ATC in May 2009. COAG considered the report in July 2009 and decided to proceed to Phase II.

The Department also participated in a cross-jurisdictional reference group to assist the NTC to prepare a report on the feasibility of applying incremental charges for heavy vehicles. This would provide the opportunity for heavy vehicle operators to negotiate greater network access for vehicles with a higher mass or volume, in return for an additional payment in recognition of the additional damage they impose on the road network. By enabling operators to use fewer, more productive vehicles, incremental charging has the potential to increase efficiency and safety.

## IX Major Infrastructure Projects

In May 2009 the government announced that \$8.5 billion would be invested in 15 nationally significant infrastructure projects on metropolitan rail networks, national road priorities and port infrastructure. The Department moved quickly to implement governance arrangements and reporting frameworks for these projects.

The Department is working closely with the states on project planning, development and monitoring. A Project Board oversees progress of the projects and senior executives of the Department attend high-level project steering group meetings.

## Case Study – South Australian Northern Expressway



An aerial view of the Curtis Road Interchange, part of the Northern Expressway Project.

In September 2008, construction commenced on the new 23 km Northern Expressway, from Port Wakefield Road to the Gawler Bypass, north of Adelaide. This project is the result of state and federal government cooperation under the Australian Government's Nation Building Program. The Northern Expressway, combined with the upgrade of Port Wakefield Road, is the largest road construction project in South Australia in more than half a century with a total investment of \$564 million. The Australian Government is providing \$451.2 million towards construction of this project and has to date contributed approximately \$250 million.

Due for completion in September 2010, the project entails:

- a new four-lane, two-way expressway with divided roadway;
- full-speed connection at Gawler, linking with the Gawler by pass;
- entry to the expressway via interchanges along the expressway;
- overpasses along the expressway;
- changes to the local roadwork;
- a recreational cycle and pedestrian pathway; and
- an upgrade of Port Wakefield Road.

The project has a minimum target of 10 per cent employment for young and Indigenous people and is the first project in South Australia to adopt this approach. In May 2009, young and Indigenous people performed 14 per cent of the labour hours on the job, the highest levels reached to date, and the Northern Expressway project has consistently exceeded its 10 per cent target for these two important demographics.

Various environmental and community concerns were addressed during the planning stage of the expressway, to protect the biodiversity of the region and local community interests:

- Plantings on the overpass embankments at the intersections situated near populated areas will help soften and screen the expressway from adjacent residential properties.
- A range of trees, including river red gums, river boxes and wattles, as well as shrubs, grasses, reeds and sedges will be planted to improve the biodiversity of this important riparian zone.
- The expressway will cross the Gawler River via two bridge structures, one of which is to allow for the 'one-in-100 years flood' mitigation.
- Large areas of land associated with the interchange ramps will provide space for the management of stormwater and the opportunity to reintroduce native vegetation to the area.

The benefits of the Northern Expressway include a reduction in travel time of up to 20 minutes between Adelaide and the northern regions, an improvement in traffic conditions for local residents and a safer and a more direct route for people travelling to Adelaide from the Riverland and Barossa regions. The expressway will also allow for a more direct connection to Port Adelaide for freight traffic, as well as a significant reduction in the amount of freight being carried on local roads.

This project will contribute to the Department's key objectives of assisting national economic and social development by improving the efficiency, safety and reliability of the National Land Transport Network.

## OUTPUT 1.1.2—INFRASTRUCTURE INVESTMENT COORDINATION

### Overview

Output 1.1.2. is delivered through the work undertaken by the Office of the Infrastructure Coordinator in support of Infrastructure Australia and the Nation Building Infrastructure Investment division.

Infrastructure Australia was established as a statutory advisory council. It advises governments, investors and infrastructure owners on a wide range of issues, including: Australia's current and future infrastructure needs; mechanisms for financing infrastructure investments; policy, pricing and regulatory issues that may affect the use of infrastructure; and impediments to the efficient use of national infrastructure networks. A complete report on the performance of Infrastructure Australia appears in Chapter 6.

The output had no administered programs.

### The Major Cities Unit

The Major Cities Unit was established to provide coordinated action across all spheres of government, the private sector and the community to improve the prosperity, liveability and sustainability of our cities, and to assist in securing the nation's economic, social and environmental wellbeing.

The Major Cities Unit participates in planning bodies such as the Local Government and Planning Joint Committee and the associated Planning Officials Group, which supports the Local Government and Planning Ministers Council. The unit contributed to a submission to the April 2009 COAG meeting on micro-economic reforms to planning systems.

In 2008–09, the Major Cities Unit began preparing a 'national urban policy' to advance integrated governance structures and best practice planning, to provide clear direction for the development of Australia's cities and to set a geographic context for policy, planning and investment decisions. The policy, which will be completed in 2009–10, will articulate the responsibilities, expectations, strategies and actions required of governments, the private sector and the community.

Initial public input was sought through a series of focus group sessions conducted across the major cities of Australia. A Research Roundtable was held in June 2009, seeking input from prominent academics and research institutes. The Unit also worked in partnership with the Council of Capital City Lord Mayors to support the development of the May 2009 'State of the Cities: Unlocking the Data' conference. This conference provided input into the development of a regular reporting framework and research agenda, which will be incorporated into the national urban policy.

