



RAIL TRANSPORT FACILITATION FUND BILL
4 October 2001

Mrs PENFOLD (Flinders): Our Liberal government has a progressive objective in relation to the development of South Australia for the benefit of future generations. This bill is groundbreaking in that it brings together many different needs on a state basis—something that has never previously been done by rail in this state. As the member representing Eyre Peninsula, I am perhaps more aware of this than most other members in the House. The Eyre Peninsula division of the former South Australian Railways made a profit in some years. That resulted directly from the tonnages transported by rail. Those who worked in the division contributed to the development and success of the rail system, enduring the harsh conditions that prevailed particularly in the first half of last century to provide a lifeline to remote settlements and towns. The proud record of those men and of the times is being preserved in the Eyre Peninsula Railway Museum operated by the Eyre Peninsula Railway Preservation Society in the former Port Lincoln railway station. Like most businesses that are run by governments rather than private enterprise, management's decisions in the past did not keep abreast of the reality of the business world.

Therefore, rail patronage across the state fell into decline. The railways were sold first to the federal government, then to private enterprise. However, the state Liberal government is continually researching what is best for South Australians to move ahead. We are not afraid of innovation and of taking up modern technology. So, we come to the Rail Transport Facilitation Fund Bill 2001.

During our term of office, freight movement across the state have increased significantly. Mining developments that we have supported are nearing the time when they will come on stream, with thousands of tonnes of product requiring to be transported. The growth in freight across Australia is forecast to increase at a rate greater than the gross domestic product. The Bureau of Transport Economics has forecast that, at the current growth rates, and in the absence of significant increases in the share of freight going by rail, tonnages moved by road would increase by 80 per cent by the year 2015. In South Australia, freight going by articulated road transport in the next 10 years is forecast to increase by 50 per cent from 12.1 to 18.12 billion net tonne kilometres. This is an exciting prospect. The Rail Transport Facilitation Fund Bill addresses the expectations raised through this forecast.

Moving freight by road and rail has never been integrated to any extent. Designing road trains and rail rolling stock so the trailers can be put onto bogies without touching the freight is a move in the right direction. This is the type of planning that needs to be accelerated and expanded to benefit our state to appropriately cope with both distance and isolation. The advantages of each method of transport—that is, rail and road—need to be exploited for the best progress in the future. This state government has looked at issues as they affect the whole of the state and as they affect various departments. This integrated approach is reaping dividends for our state. We promote transport policy and planning across transport modes for economy, efficiency and protection of the environment. Inevitably, this links in with freight movement by sea. The government has done much in this area. Certainly, in my region, rail and road links with sea transport are well developed and integrated. The Liberal state government is committed to promoting the greater use of rail by interstate and intrastate freight operators. The projected increase in freight tonnage requires planning now to ensure smooth handling in the future, and at the most economical cost. Such an increase, if handled only by road transport, would result in road congestion, a rise in road risks and a steep upward curve in road maintenance costs.

The Liberal government is proactive when it comes to the environment. From an environmental perspective, rail is able to transport three times the tonnage over certain routes for the same expenditure of energy as road. Facilitation of rail transport is, therefore, a positive move in reducing greenhouse gases. This fits well with the government's support for other measures to reduce greenhouse gases, such as the development of wind farms to generate electricity. A holistic approach to transport and freight movement provides the most favourable environmental outcomes for the state.

Competition is a word that we have all become familiar with in recent years. It is fair to say that competition across modes of transport has not been strong. Looking at rail and road as two facets of the same issue will provide a more competitive framework in South Australia's primary and secondary industries. We aim for the best service at the most economical rate. This will keep us competitive with our world trading partners. We are reminded time and again that we are now a global village. We must always be cognisant of this fact or we lose custom, therefore, lose income and go along the downward path to hardship and poverty.

The Adelaide-Darwin rail link opens a new era for South Australia, one in which we must anticipate the future and its opportunities. I find it quite exciting when I look at the possibilities that could come to Eyre Peninsula, particularly in tourism. Of course, the Eyre Peninsula rail system needs to be standardised and linked with the interstate system to gain the most benefit for our state and, in particular, Eyre Peninsula. I flag that this is a matter for future consideration, and one that I have already given considerable thought to.

No development occurs without money. The Rail Transport Facilitation Fund Bill brings into play a dedicated fund that will have a wide application to develop, upgrade and improve rail in this state. It is good business practice to ensure that money earned in one area is reinvested in that area to lift income. Income from the sale and/or lease of rail assets will find a ready home in this fund, as will income derived from rail facilitation projects. It has been truly stated that money breeds money. The proposed method of funding the bill provides an investment pool that will be conveniently accessible as projects eventuate. It will be added to with grant money from time to time to keep the pool operational. I particularly support the flexibility with which the fund is being set up, so that projects can be evaluated on their merits and the most appropriate form of support decided on. That may be a grant or a loan, capital investment, or the purchase of equipment or materials. I support the bill.