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Mr Marcus Coleman  
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## **Response to NTC Discussion paper on *The Role of Government in Rail Freight Investment***

Dear Marcus

The Australian Logistics Council is pleased to provide comment on the NTC Discussion paper on ***The role of government in rail freight investment.***

By way of background, ALC is the peak national body representing the major and national companies participating in the Australian freight transport and logistics supply chain. The aim of ALC is to influence national transport and infrastructure regulation and policy to ensure Australia has safe, secure, reliable, sustainable and internationally competitive supply chains.

ALC agrees that the document generally identifies the issues that would need to be dealt with in any policy paper discussing government rail freight investment.

ALC notes that rail, as a transport mode, plays an integral role in carrying the Australian freight task, as indicated by the figures contained on page 3 of the discussion paper, which shows that the Australian freight effort will double from 70.4 tonne-kilometres in 2008 to 159.1 billion tonne-kilometres by 2030.

Table 1: *Policy instruments to facilitate rail investment* (P11) adequately identifies the policy instruments that can be used to facilitate rail investment. ALC is of the view that care should be taken when using these instruments to ensure that infrastructure decisions do not distort the mode by which consumers dispatch freight - ie there is competitive neutrality between road, sea, air and rail transport.

To ensure this is the case, these instruments should be employed only after the most rigorous cost benefit analysis. ALC recognises this may mean that costs of externalities are factored into government road and rail investment decisions.

ALC believes that any rail investment made on the basis of fulfilling what is identified as a community service obligation, should only be made when it is clear:

- the investment would not have been made if approached on a commercial basis;
- the method of funding is transparent; and
- outcomes are clearly identified and capable of being benchmarked.

I note that a draft policy paper is to be released in February 2011 and ALC will make further comments at this time.

Please do not hesitate to contact me via email [michael.kilgariff@austlogistics.com.au](mailto:michael.kilgariff@austlogistics.com.au) or on (02) 6260 3274 should you wish to discuss this matter.

Yours sincerely

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