



Fact Sheet

March 2009

RAIL PRODUCTIVITY REVIEW and SUPPLY CHAIN PILOT STUDIES DRAFT POSITION PAPERS

Background

Transport is a key input into Australia's economy. Improved transport productivity can significantly reduce the cost of freight and, ultimately, the cost to consumers for goods and services.

The National Transport Commission is currently developing two major transport productivity reviews: the Rail Productivity Review and the Supply Chain Pilot Studies, to identify productivity impediments and opportunities to optimise rail and supply chain performance.

The Rail Productivity Review investigated regulatory, planning and market barriers to increased productivity. It was initiated after industry consultation identified improving rail productivity as a key priority.

The Supply Chain Pilot Studies of inter-modal transport, meat and livestock, grain, and coal supply chains form part of the 'Capacity Constraints & Supply Chain Performance' work agenda, led by South Australia, under the National Transport Policy Framework.

Key themes

The studies identified common productivity impediments and potential solutions. The key issues and draft recommendations contained in the Draft Position Papers are outlined in the table on the next page.

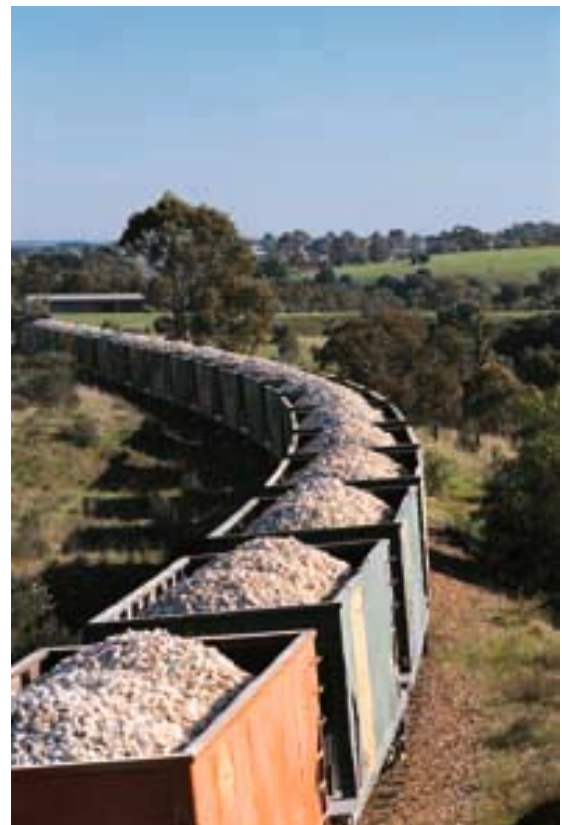
Consultation

NTC has consulted extensively with industry, government and freight customers to produce the draft recommendations in the reports.

Further strategic consultation is underway to test the recommendations before submitting a final report to the Australian Transport Council (ATC) meets in May 2009.

For more information please contact:

Alexandra Manning
Communications Officer
03 9025 5052



Issues	Draft recommendation
Planning and investment	
Confusion about the roles and objectives of different governments and government-owned corporations	An improved national transport policy, planning and investment framework and body with coordinated objectives, focused across all modes and along entire supply chains. This includes strategic planning for intermodal terminals and a consistent framework for allocating government funding. This builds on the recent progress through the National Transport Policy Framework, Infrastructure Australia, AusLink, ARTC and state and territory transport plans.
Lack of a consistent and coordinated approach to planning	
Government funding sometimes provided on an ad-hoc basis	
Pricing and access	
Current heavy vehicle road use charges don't support efficient investment	Reduce distortions between road and rail freight pricing through: <ul style="list-style-type: none"> ▪ the Council of Australian Government's (COAG) road reform agenda to improve efficiency of heavy vehicle road charges and infrastructure spending ▪ the Carbon Pollution Reduction Scheme applied consistently across road and rail freight transport
Rail access prices don't always reflect market demand	Market-based pricing, based on demand and capacity, to encourage more efficient operation
Lack of competition and increased costs due to inconsistent access to intermodal terminals	Open access at strategically important terminals
Excess red tape due to inconsistent rail access and pricing regulation across states	In the longer term, a nationally consistent rail access and pricing framework, including a national rail economic regulator (if beneficial)
'Last mile' access for heavy vehicles	Heavy vehicle road pricing reform to create a commercial incentive to invest in road infrastructure linking freight centres
Regulation	
Lack of clarity about when government should intervene in market failures	Governments establish criteria and objectives for effective supply chains and commit to step in to address market failures where required
Inconsistent regulation across state borders	Deliver COAG's commitment to a nationally consistent rail safety and heavy vehicle regulatory framework Industry should continue to lead the development of nationally consistent environmental standards
Technical standards are not harmonised	Industry should continue to develop technical and infrastructure standards to improve harmonisation and interoperability across the rail industry and rail networks. Government and industry should work together to encourage take-up.