TRANSPORT AND INFRASTRUCTURE COUNCIL

NATIONAL REMOTE AND REGIONAL TRANSPORT STRATEGY

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1 INTRODUCTION

1.1 About the National Remote and Regional Transport Strategy

The National Remote and Regional Transport Strategy provides for a nationally coordinated approach to addressing key transport infrastructure, service delivery and regulation challenges that are specific to remote and regional Australia.

Australia's remote and regional areas are major contributors to the nation's economy – being home to world-class resource and agricultural industries. Combined, these areas are responsible for 40 per cent of Australia's GDP.

Remote and regional areas face specific transport challenges due to a combination of vast distances, a small population, climatic extremes, and demanding geography – challenges that require a more tailored approach to transport regulation, infrastructure and service delivery.

This Strategy aims to address these challenges by providing some practical solutions to the issues faced by transport system providers and users that will help to ensure this vital part of Australia can continue to grow and contribute to the nation's overall prosperity.

The Transport and Infrastructure Council's decision to develop a National Remote and Regional Transport Strategy was based on the outcomes of a National Remote and Regional Transport Infrastructure and Services Forum (the Alice Springs Forum) that was held in May 2014. The Alice Springs Forum identified a range of issues impacting remote and regional transport. Potential solutions across the three key areas of transport infrastructure, services, and regulation were identified and the need for a strategic and coordinated approach to remote and regional transport was reinforced.

A Draft National Remote and Regional Transport Strategy was released for public consultation in May 2015. Since this time, the Commonwealth Government's White Papers on Developing Northern Australia and Agricultural Competitiveness were both publicly released. These white papers incorporate a number of significant measures that will contribute to the achievement of this Strategy. Further, a number of national projects are now underway to address some of the issues raised in the Draft Strategy.

This Strategy seeks to raise the profile of remote and regional transport issues in Australia and highlight the challenges to growth and development. It also aims to guide and influence national policy development relevant to remote and regional transport, maximise investment opportunities in transport infrastructure and services, minimise regulatory burden, and facilitate better coordination across borders and between governments.

The Strategy's long-term goals are to:

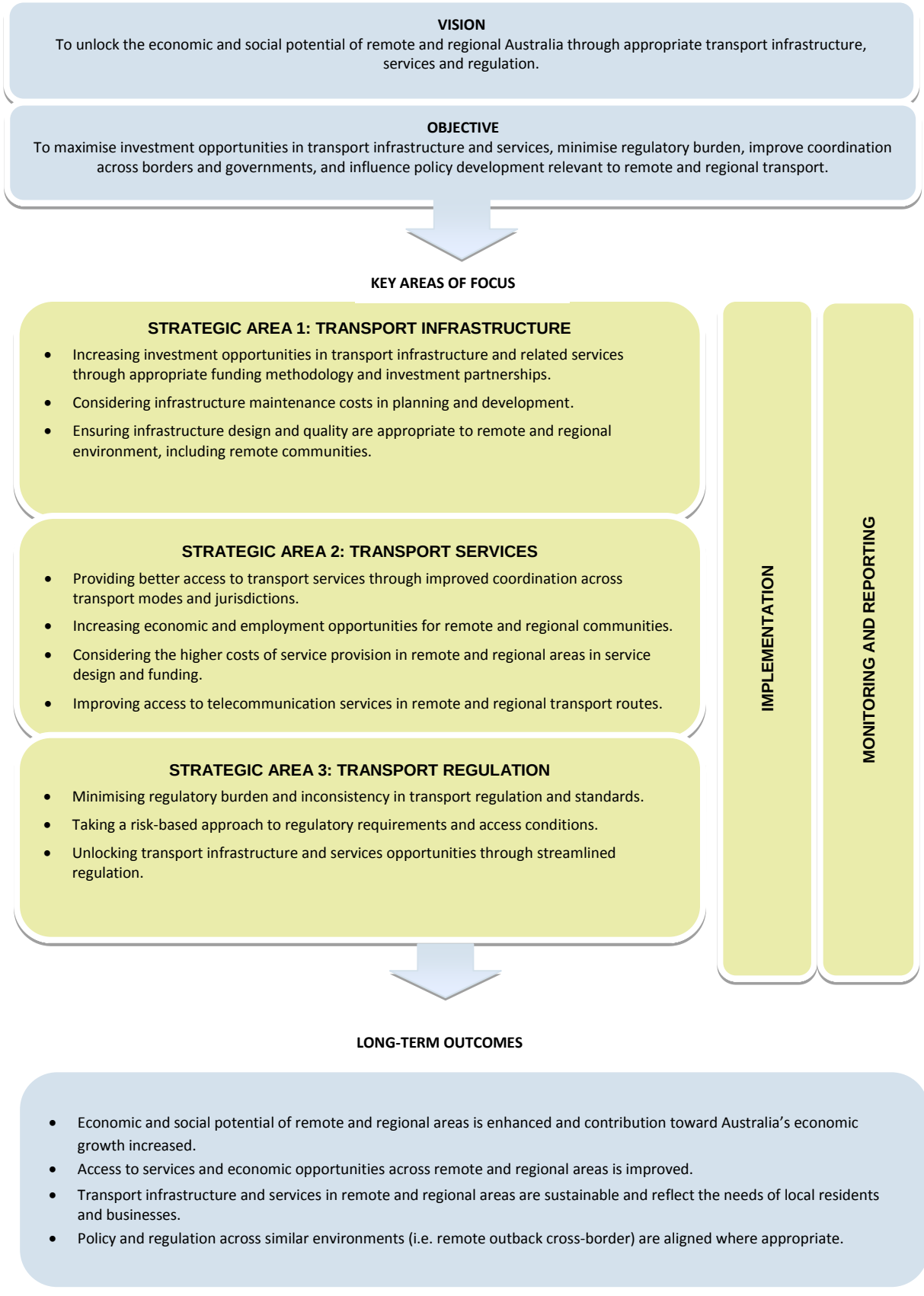
- Enhance the economic and social potential of remote and regional areas through the development of appropriate transport infrastructure, services and regulation;
- Improve access to employment, education and health services across remote and regional Australia by improving transport infrastructure and services;
- Ensure that transport infrastructure and services in remote and regional areas are sustainable and reflect the needs of local communities, transport operators service providers and businesses; and
- Ensure policy and regulation are aligned across similar environments (i.e. cross border remote areas).

This Strategy outlines a number of key actions that will help achieve the objectives and long-term transport goals in remote and regional areas. It is intended to complement other important national priorities and initiatives that that are in progress or under development, such as the developing northern Australia agenda and heavy vehicle regulation and pricing reforms.

Figure 1 illustrates the National Remote and Regional Transport Strategy Framework.

1.2 National Remote and Regional Transport Strategy Framework

Figure 1 National Remote and Regional Transport Strategy Framework



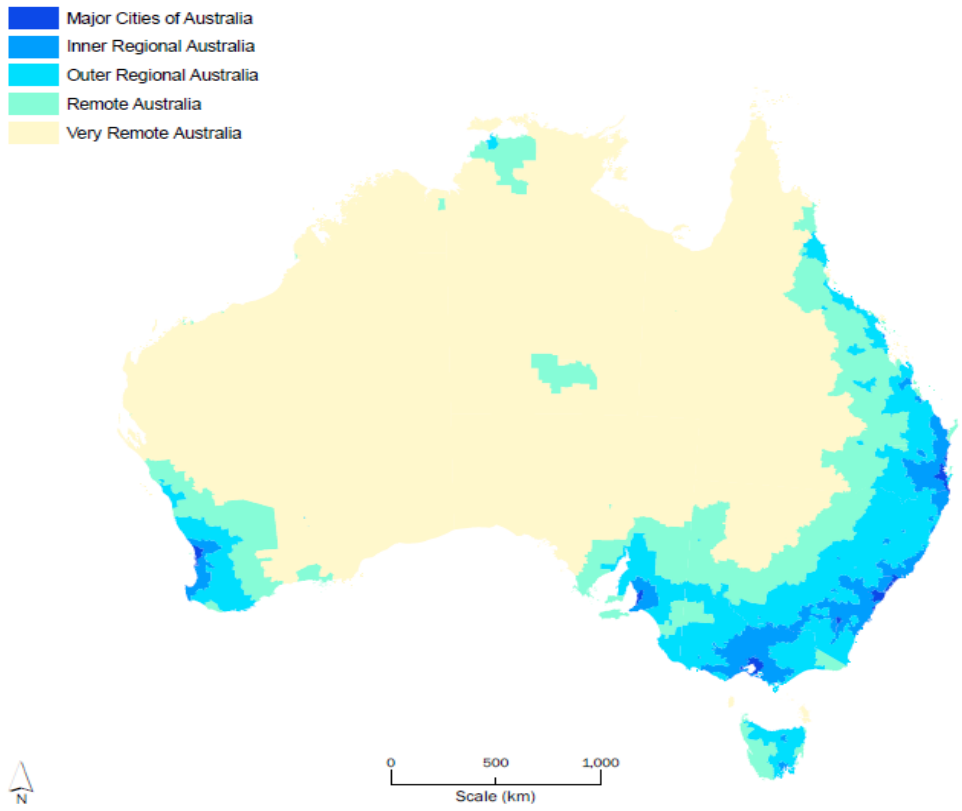
1.3 Scope and purpose

The National Remote and Regional Transport Strategy sets out a national approach to addressing remote and regional transport issues and provides practical solutions that have been identified through consultation with industry stakeholders and across governments.

This Strategy targets remote and very remote areas of Australia (as defined under the Australian Bureau of Statistics' Accessibility Remoteness Index of Australia – or ARIA) including nearby regional towns that service these areas. While the Strategy is intended to focus largely on remote and very remote areas, it recognises that some parts of outer regional Australia experience similar challenges.

This Strategy also recognises that while transport issues and challenges may be similar across some remote and regional areas, the degree to which they impact outer regional, remote or very remote locations can vary. Further, while two geographic areas may both be classed the same under the ARIA, transport infrastructure in the two areas may face different climatic demands. For this reason, some of the Strategy's actions will be targeted to certain geographical locations.

Figure 2: Remoteness Classes, ABS Australian Statistical Geography Standards (ASGS) 2011



Remote and regional areas differ from the major cities of Australia because they:

- have smaller populations meaning diseconomies of scale;
- are located vast distances from major towns and cities;
- have lower levels of access to services, social interaction, jobs and employment opportunities;
- have limited or no services locally available;
- have lower quality of transport infrastructure (e.g. roads – many unsealed);
- experience extreme climatic weather; and
- are often isolated from the rest of Australia due to geographical and/or seasonal constraints (e.g. road closures in remote areas due to flooding).

The Strategy incorporates actions aligned to three strategic areas of focus. For the purpose of this Strategy, the following definitions are applied to them:

- **Transport Infrastructure** – civil engineering structures and technology that have been built or applied to facilitate the movement of people and/or goods. This includes roads, railways, airports, sea ports, and barge landings;
- **Transport Services** – the regular operation of transport infrastructure or related activities to connect people, places, goods and other services. This includes bus/coach and rail travel, road and rail freight, public transport, air travel, community transport and coastal shipping; and
- **Transport Regulation** – the government controls put in place to manage market distortions, promote efficiency or ensure safety and security outcomes.

2 CONTEXT

2.1 Snapshot: remote and regional Australia

Population and demographics

- Over 96% of Australia's land mass is classed as outer regional, remote and very remote by the Australian Bureau of Statistics' Accessibility Remote Index of Australia.
- Remote areas are sparsely populated. 15% of the Australian population live more than 50 km from the coastal areas of Australia and 5% live in remote and outer regional areas.
- The majority of Australia's remote and regional population lives in northern Australia (broadly defined as the parts of Australia north of the Tropic of Capricorn).
- Over the past decade northern Australia's annual population has grown at a rate of 1.9%, this is above the national average rate of 1.5% (ABS 2014).

Economy

- Remote and regional Australia contributes significantly to Australia's economy.
- With its considerable resource and primary industry sectors, remote and regional Australia is responsible for 40% of Australia's GDP.
- The remote and regional economy is fuelled by the primary production sector (pastoral, horticultural and agriculture, carbon farming, fisheries and aquaculture), tourism, manufacturing and mining.
- Over 60% of the nation's mining platform operates in remote Australia.

Natural resources

- Remote and regional Australia contains a number of the world's largest resource provinces and mines including the Pilbara iron ore province (Pilbara region is responsible for almost a third of the world's iron ore production), Bowen Basin coal province, Argyle Diamond Mine, Mount Isa lead-zinc province, Leigh Creek coal mine and the world's largest manganese mine at Groote Eylandt.
- Mainland Australia's only producing phosphate mine is near Mount Isa and there are vast quantities of bauxite at Gove in the Northern Territory and Weipa on Cape York in Queensland. There are also substantial reserves of gas through the region.
- The coastal districts of the northern regions produce sugar cane, grain, fruit, dairy and beef cattle. Intensive irrigated agriculture is also an important producer of income in regions.

2.2 Why we need a national remote and regional transport strategy

2.2.1 Current picture: remote and regional transport

Despite past government investment in remote and regional transport infrastructure, the need to develop suitable infrastructure and services in these areas remains crucial. Some existing transport infrastructure is not up to the task of transporting raw material, livestock and produce over extensive distances in the face of extreme weather conditions.

In its report to the Parliament of Australia in September 2014, the Joint Select Committee on Northern Australia identified that industries and communities in north Australia are heavily reliant on the road network, with few alternative routes, for example:

- In north Western Australia, the Great Northern Highway is the only sealed road linking with the Northern Territory and other centres in Western Australia.
- The Northern Territory has only five major sealed roads outside Darwin.
- Queensland has a more extensive highway system but there is heavy reliance on access roads that are not highway grade or are frequently flooded.
- Railway networks and port connectivity in the north are considered to be underdeveloped by many key stakeholders operating in the region.
- The Kimberley region does not have railway lines – railways in the north-west region of Western Australia are not connected to the rest of Australia and there is no railway between the Northern Territory and Queensland. Limited rail options can put further pressure on road networks, depending on the size and nature of the freight task.

Similar challenges are faced in outback remote areas of South Australia. The South Australian Government manages approximately 10,000 km of roads in unincorporated areas of the state. The majority of these roads are unsealed and include key outback routes (Birdsville, Strzelecki, and Oodnadatta tracks) linking key centres in remote and very remote South Australia and provide access for communities, tourism, mining and pastoral activities.

Likewise, remote and regional areas of New South Wales, Victoria and Tasmania also experience these challenges. For example, Tasmania has a small and highly dispersed population of just over 500,000, with over 60 per cent of the population living outside of Hobart. Efficient and sustainable transport connections, including for interstate trade, are crucial to regional community wellbeing, productivity and industry growth throughout Tasmania.

SNAPSHOT: ROADS

Northern Territory

The NT's road network spans 35,725 km made up of roads that are sealed (8,927 km), gravel (8,597 km), formed (7,203 km), and unformed (10,998 km). Access can be significantly affected by weather and local conditions. The NT Government manages 62% of the NT's road network. The remainder is managed by local government, which ultimately relies on the NT and Australian Governments for road funding because road costs far exceed what local governments can raise from their small ratepayer base.

South Australia

The SA Government is responsible for 10,100 km of outback roads. This is due to there being no local government in outback SA. In addition, the SA Government contracts an external party to look after 4,000 km of roads in the Anangu Pitjantjatjara Yankunytjatjara lands, which is a significant funding challenge despite funding from the Australian Government's Roads to Recovery Program.

Queensland

Queensland has some 186,550 km of public roads. The Queensland Government manages 33,343 km of state-controlled roads (around 29,080 km are sealed and 4,263 km are unsealed). These roads comprise the major traffic carrying and strategic roads in the state. The management of the state-controlled roads is considered from four strategic perspectives represented by the following subsets: national network 4,991 km; state strategic roads 4,108 km; and regional and district roads 24,244 km.

The Queensland Government also works with local governments in jointly managing 35,337 km of lower order state-controlled roads and higher order local government roads (Local Roads of Regional Significance – LRRS) through the Roads and Transport Alliance – a cooperative governance arrangement between the Queensland Department of Transport and Main Roads, the Local Government Association of Queensland and local governments, to invest in and regionally manage the Queensland transport network. There are 13,097 km of LRRS state-controlled roads.

Western Australia

In WA, the five geographical regions categorised as remote (Kimberley, Pilbara, Gascoyne, Goldfields and Mid-west), contain a total of 64,672 km of roads. Of these, 16,185 km are sealed and 48,487 km unsealed.

The WA Government currently manages 17% of roads in the five regions, with the remainder being the responsibility of local government authorities.

New South Wales

In NSW, the road network consists of 18,028 km of state roads (including 4,269 km of National Road Network, for which the Australian Government provides a funding contribution, and 163 km of privately-funded toll roads) and 2,946 km of regional and local roads in the unincorporated area of NSW. The NSW government also provides financial assistance to local councils to manage 18,474 km of regional roads and also provides some funding and support to the 144,750 km of council-managed local access roads.

Victoria

In Victoria, there are approximately 151,000 km of roads open for general traffic, including local municipal roads. This total also comprises 22,500 km of freeways and arterial roads. Additionally there are a further 50,000 km of other minor roads and tracks in parks and forests. The Victorian arterial road network carries approximately 350 million tonnes of freight annually.

Tasmania

The land transport network in Tasmania includes approximately 24,000 km of road. Of this, 3,700 km is managed by the Tasmanian Government and 14,000 km by local government, with the remainder being privately or commercially owned. The principal road corridor between Burnie and Devonport in the north and Hobart in the south is part of Tasmania's highest volume freight corridor, connecting the state's major ports with population centres and industrial centres.

Remote and regional areas of Australia face unique economic and social development challenges, for example:

- remote/regional projects often cannot be directly compared to those in metropolitan and inner regional areas because the benefits are different and often difficult to quantify in monetary terms;
- some roads are constructed for dry season conditions and are closed or subject to tighter weight restrictions during the wet season, therefore reducing access for local producers and isolating communities;
- access to employment, education, health services, and economic opportunities can be limited by a lack of adequate infrastructure and services;
- residents and businesses operating in remote and regional areas often face safety challenges and experience efficiency losses by only having access to lower quality roads;
- business opportunities can often limited by lack of all-weather access across remote and regional areas;

- higher capital start-up costs can create barriers for transport service providers to service remote communities due to vast distances, low population and extreme remote environment;
- limited telecommunications infrastructure and service coverage in remote and regional areas have economic, social and safety impacts on communities and businesses;
- standards and regulations can hinder economic and social development because they cannot be applied flexibly in ways that are relevant to remote areas; and
- there is often a need to use relatively more expensive transport options due to long distances and limited land transport options, in particular charter and other aviation services.

These types of challenges underpin the case for having a Strategy that will enable a coordinated approach at the national level that focuses specifically on remote and regional transport issues.

SNAPSHOT: AVIATION

Western Australia

Infrastructure at a number of large fast-growing regional airports such as those in the Pilbara is inadequate to meet current levels of demand. Significant upgrades are required to meet forecast growth in air traffic. The funding of the repair and replacement of ageing infrastructure at local government-owned airports is problematic where levels of airport usage and revenues are insufficient to meet the costs involved.

Northern Territory

The NT Government currently maintains 70 remote aerodromes and provides operational funding for 17 registered aerodromes to ensure some safety regulatory requirements are met. Meeting the increasing demand for infrastructure upgrades and high cost of repairs and maintenance is an ongoing challenge. Local governments in the NT do not have the capacity to take on formal operational and management responsibility for aerodromes. This is due to a range of factors, including lack of revenue and commercial viability, high cost of meeting aviation security regulatory requirements and the level of risk associated with being responsible for aerodrome activities. Fifty of the aerodromes maintained by the NT Government are located on Aboriginal land subject to the *Aboriginal Land Rights (Northern Territory) Act 1978* (Cth) and difficulties associated with securing tenure over these sites impacts upon the Government's ability to plan for and fund essential infrastructure maintenance and upgrades.

South Australia

There are 72 regional airports that cater to occasional commercial charter services, as well as providing emergency services to remote parts of SA. It is a challenge for many regional councils to meet the maintenance required on aerodromes, with many built during the Second World War. Simply maintaining existing airport infrastructure in a safe and usable condition is even more challenging in remote areas.

Queensland

There are over 54 certified or registered aerodromes in northern Queensland, about 30 with regular passenger services recording over 9.7 million passenger movements. Costs of operation of regional services are increased by regulation issues, high costs of fuel in remote airports, airport fees, poor facilities development limiting aircraft sizes, and limitations of size of market. The Queensland Government subsidises residents in Far North Queensland under a new 'Local Fare Scheme' with $5.6 million (in 2015–16) in funding. The Scheme will enable locals to save up to $400 per return flight for travel within Cape York and the Torres Strait as well as the Gulf communities of Doomadgee and Mornington Island.

New South Wales

In 2010, there were 10 airlines operating services to 27 regional airports in regional New South Wales. The regional communities of Bourke, Coonamble, Lightning Ridge, Walgett, Coonabarabran, Gunnedah, West Wyalong and Inverell lost their regular public transport services during this time. In 2014, only five airlines provided regional air services to 22 airports across New South Wales.

Victoria

There are 159 airports and airfields across Victoria. Key regional airports support passenger and freight needs and provide regular public transport and charter air service connections to / from: Melbourne, Essendon and Moorabbin Airports); regional areas of Mildura, Mt Hotham, Portland and Warrnambool; and beyond Victoria (south east South Australia, southern NSW), and northern Tasmania. Commercial scheduled services to these areas are provided variously by Qantaslink, Virgin, Regional Express, Sharp Airlines, King Island Airlines and Par-Avion Airlines. Additional charter services provided by other airlines.

Tasmania

Tasmania has four airports servicing its urban centres (Hobart, Launceston, Devonport and Burnie) and a number of smaller regional airports supporting interstate and intrastate passenger movements. These airports are serviced by several major commercial carriers and a number of smaller companies operating low volume regional routes. The cost and frequency of air access are particularly critical for the sustainability of regional communities on King Island and the Furneaux Group of islands.

2.2.2 Current policy context

Since the release of the Draft National Remote and Regional Transport Strategy, the Commonwealth Government released the White Paper on Developing Northern Australia and the Agricultural Competitiveness White Paper in June and July 2015. These policies incorporate a number of funding commitments and key initiatives that will contribute to improving transport outcomes for remote and regional Australia, such as:

- Providing $5 billion for the establishment of a Northern Australia Infrastructure Facility to provide concessional loans to finance infrastructure projects in the north;
- Committing $600 million for priority road projects in the north;
- Allocating $100 million to improve the productivity and resilience of northern cattle supply chains;
- Providing $5 million for analyses of freight rail projects in northern Australia;
- Committing $3.7 million to develop the infrastructure pipeline for northern Australia – building on Infrastructure Australia's northern Australia infrastructure audit;
- Allocating $2 million to set up a 'single point of entry' office in Darwin with the Northern Territory Government to cut red tape and facilitate major project approvals; and
- Providing $1 million to improve the CSIRO's TRAnsport Network Strategic Investment Tool (TRANSIT)

In addition, the following Commonwealth initiatives will help to support the achievement of transport objectives for remote and regional Australia:

- Establishment of a business stakeholder group to develop a plan for improving aviation and surface transport connections in northern Australia;
- Through the Council of Australian Governments (COAG) investigation into Indigenous land administration and use, considering how Indigenous land legislative, regulatory, administrative and operational systems and processes can be improved
- Reform of the coastal shipping framework;
- The inclusion of employment targets for Indigenous Australians in procurement policy, reflecting local Indigenous working age population, for road projects and other relevant expenditure.

Governments across Australia at all levels have been involved in significant national transport reforms and projects in recent years, with considerable investment in transport infrastructure in remote and regional areas. Many of these initiatives will contribute towards the achievement of the Strategy's long-term objectives. Examples of this effort include:

- targeted upgrades to the Stuart, Eyre, Augusta and Barrier Highways and Strzelecki Track to improve the efficiency and safety of truck and tourist vehicle movements through the South Australian region;
- projects on the Great Northern and North West Coastal Highways in Western Australia, as well as at Port Hedland and Dampier, to improve freight and passenger movements, in particular supporting the resources industry;
- planned upgrades for the Outback Way through Queensland ($24.5 million), the Northern Territory ($40 million) and Western Australia ($22 million);
- upgrade to the Tanami Road in the Northern Territory;
- Northern Territory Road Package (improving flood immunity, road safety and productivity) and Regional Roads Productivity Package;
- Port Hedland Improvements Project;
- Western Roads Upgrade Program ($40 million over two years) to deliver 14 regional priority road upgrade projects, focusing on road widening and sealing, within western Queensland local government areas;
- $128 million for Community Development Grants in northern Australia, funding a range of small scale community infrastructure;
- rail overpass south of Alice Springs;
- upgrades to aerodromes in the far north of South Australia to improve 24 hour all weather capability aerodromes for Royal Flying Doctor Service operations;
- the Building Our Regions – Regional Infrastructure Fund ($200 million over two years), for critical infrastructure, including airports, transport and road projects, flood mitigation projects like levees and drainage works, and community infrastructure such as water, waste water and sewerage projects in regional Queensland;
- the Regional Transport Program ($24.1 million over two years) to support jobs, foster economic development and improve liveability in Queensland regional communities;
- targeted driver education and licensing programs currently running in Western Australia, Northern Territory and South Australia that enable those living in remote areas to obtain a driver's license locally;
- the Royalties for the Regions funding program running in Western Australia, where a portion of mining revenue is put towards the construction of new and improved regional infrastructure, roads and floodplain security projects;
- subsidisation of some long distance passenger transport services so that residents of rural and remote communities in Queensland can access a range of services in larger centres;
- the Aboriginal and Torres Strait Islander (ATSI) Transport Infrastructure Development Scheme program (providing $8.2 million annually), running in Queensland and focused on improving transport access to ATSI communities and supporting development in the regions (e.g. tourism, freight transport in and to remote areas);
- essential weekly air transport links for very remote communities are provided by the Australian Government's Remote Air Services Subsidy Scheme. Flights are supported for

some 350 remote communities (cattle stations and Indigenous communities) including for example residents of Cape Barren Island and the Bass Strait;

- collaborative efforts between the Victoria Government and the Central Murray group of councils in the development and implementation of a regional transport plan as part of addressing transport network efficiency in the region;
- the Regional Transport Coordination Program running in New South Wales focusing on reducing the negative effects of transport disadvantage on those living in rural and regional areas; and
- upgrade of the Midland Highway, revitalisation of the freight rail network, and upgrades on the Tasman and Brooker Highways in Tasmania.

While these efforts are contributing to better transport infrastructure and services in remote and regional areas, the existing inconsistencies in transport standards and regulation across jurisdictions highlight the need for a coordinated approach at the national level.

CASE STUDY: ABORIGINAL AND TORRES STRAIT ISLANDER TRANSPORT INFRASTRUCTURE DEVELOPMENT SCHEME (QLD)

The Aboriginal and Torres Strait Islander (ATSI) Transport Infrastructure Development Scheme (TIDS) is a component of the Queensland Government's broader TIDS funding program providing $8.2 million annually to improve transport access to ATSI communities and support development in the regions (e.g. tourism, freight transport in and to remote areas). ATSI TIDS funding has significantly improved access to 34 indigenous communities, with over 25% of the access roads to these communities now bitumen sealed, and upgrades to many aerodromes, barge ramps and jetties. The Queensland Government plays a role in capacity building for these regional Indigenous councils and workforces by providing supervisory services to assist councils in delivery of the ATSI TIDS program.

CASE STUDY: ROYALTIES FOR REGIONS SCHEME – WAGIN AIRPORT UPGRADE (WA)

The town of Wagin is located 228 km south east of Perth in the Great Southern region. Wagin Airport is centrally located and covers a radius of 250 km taking in most of the south west of WA. The airport has two runways and is close to the township.

The Shire of Wagin received Royalties for Regions funding to seal the airport's east/west runway. Without this funding the project would not have proceeded. The total cost of the project was $546,974. Of this, $386,163 came from Royalties for Regions through funding allocated to the Department of Transport, Regional Airports Development Scheme (RADS), with an additional $160,811 from the Shire of Wagin.

The need for this runway upgrade was due a severe storm that softened the then gravel runway, which resulted in propeller damage to a Royal Flying Doctor Service aircraft as it landed.

CASE STUDY: DRIVESAFE NT – DRIVER LICENSING PROGRAM (NT)

Providing a system for licensing drivers in remote communities in the NT is a major challenge due to: vast numbers of small scattered remote populations; inability of many remote residents to provide evidence of identity; literacy, numeracy and language barriers; lack of access to qualified driving instructors, registered and roadworthy vehicles and supervising drivers during the learner licence period. DriveSafe NT Remote was developed to address these problems.

DriveSafe NT Remote is a driver licensing program for remote and regional areas. This program helps to: improve access to jobs, training and services; reduce the high number of Indigenous people killed or injured on NT roads; and reduce the high number of Indigenous people charged with driving related offences. The program includes support to gain required identification documents, theory and practical lessons on a range of driving and road safety topics such as drink driving, seat belts, overcrowding in vehicles, emergency first aid and speed. In the first two years of the program, over 1300 Territorians received their learner licence and 350 of these progressed to a provisional licence.

Other major policy initiatives impacting remote and regional transport

In addition to the policy and funding commitments made under the White Paper on Developing Northern Australia and the Agricultural Competitiveness White Paper, the Commonwealth administers the $42 billion Infrastructure Investment Programme (IIP); comprising several individual programmes, each providing targeted funding for land transport projects across all areas of Australia.

The Regional Aviation Access Programme also provides $39.6 million for the maintenance and upgrading of remote airstrips and provision of subsidies to support remote air services initiatives. These initiatives will continue to support transport infrastructure and services in remote and regional Australia.

CASE STUDY: INFRASTRUCTURE TO SUPPORT ECONOMIC RECOVERY (TAS)

Like many remote rural communities in mainland Australia, the west coast region of Tasmania features a number of isolated communities, which are disadvantaged by not experiencing the same growth and breadth of opportunities as larger urban centres.

The west coast region continues to grapple with industry closures, resultant high unemployment, issues with transport and communication infrastructure and the persistent outward migration of the population, in particular its young people.

In light of a decision by one of the west coast's central employers to move the Mt Lyell mine in Queenstown to care and maintenance in June 2014, the Tasmanian Government established a working group to address the region's challenges. This has resulted in a range of initiatives focused on investment in new industries, underpinned by improved infrastructure, skills and vocational training and access to new markets. As part of this economic recovery package, the Tasmanian Government fast-tracked $13.2 million of capital improvements for regional roads and $100,000 for a pilot program to extend public transport services in the region.

Continued planning and investment in transport system improvements to support the central export sectors of this region, such as mining and aquaculture, remain a key priority for Tasmania.

CASE STUDY: REGIONAL TRANSPORT STRATEGIES (VIC)

In Victoria, groups of regional councils work collaboratively with state transport portfolio representatives to develop regional transport strategies. Regional transport strategies identify and prioritise key transport networks and provide an evidence base for improvements and investment. Some of the regional transport networks include cross border groupings that include participants from both local councils and neighbouring state departments and agencies.

3 KEY ACTIONS

3.1 Strategic Area 1: Transport Infrastructure

3.1.1 Objective

To maximise investment opportunities that will facilitate access to transport infrastructure in remote and regional areas that is fit-for-purpose, suitable to local needs, appropriately funded and well maintained.

3.1.2 Stakeholder priorities

Stakeholder priorities that were raised both at the Alice Springs Forum and through consultation on the Draft Strategy in this area include:

- Increasing investment opportunities in transport infrastructure and related services through appropriate funding methodology and investment partnerships.
- Considering infrastructure maintenance costs in planning and development.
- Ensuring infrastructure design and quality are appropriate to remote and regional environment, including remote communities.

3.1.3 Challenges and opportunities

A key message received from stakeholders from the agriculture, tourism, mining and energy industries is that a lack of appropriate infrastructure can constrain economic development in remote and regional areas. For example, in the mining industry, the first thing that some companies will look at as part of exploration is whether infrastructure exists. Some will only go ahead with small-scale projects so they do not over-capitalise until they understand the true cost of working in some of the most remote parts of Australia.

SNAPSHOT: ECONOMIC OPPORTUNITIES CONSTRAINED (NT) [1]

"*Part of the reason that this region (Plenty Highway) is under-explored is its remoteness and lack of ease of access. We recognise that with exploration, one of the first things that will be looked at is what infrastructure exists, so there are hurdles.*" (Mining company)

"*The road is terrible. We have to specify high quality tanks for the 500 km of corrugated road. Sophisticated loading systems get pulverised.*" (Oil and gas company)

"*We are working in one of the remotest parts of Australia. Everything breaks down on the way out. There is wear and tear on the trucks … we have trouble getting quotes because of the damage it does. When we built the pilot plant, everything arrived broken; including the safe that they said couldn't break even with explosives.*" (Mining company)

"*… for the trucking industry, it's four times more expensive to operate on a dirt road because of the damage. Sealing a road might open it up to more competition. For example, an Alice Springs (operator) was caring fuel up the Tanami and he had to buy a new set of springs to complete the return trip.*" (Road transport industry)

[1] July 2014 consultations conducted by the NT Department of Transport on a separate project.

Facilitating and supporting investment in transport infrastructure

Meeting the transport infrastructure needs of industry and the private sector is important for productivity and the overall economy of Australia; however, there is also a need to address specific infrastructure requirements of remote and regional communities. While all levels of government provide funding for remote and regional transport infrastructure projects, continued investment is needed to support the economic and social development of remote and regional Australia.

Australian Government investment decisions through the IIP examine, on a case-by-case basis, opportunities for alternative funding and financing mechanisms for transport projects to complement the Government's existing capital grants. This is designed to encourage greater private sector engagement in infrastructure investment.

With state, territory, and Australian governments facing fiscal constraints, partnerships between governments and private investors have the potential to benefit industry and local communities through helping improve transport infrastructure design and quality, access to services, and better maintenance of roads and aerodromes.

States and territories will continue to explore ways to improve infrastructure investment linkages between governments, the private sector and community entities to help develop and maintain transport infrastructure and services where there are both commercial benefits to an investor and broader public benefits.

CASE STUDY: REGIONAL ROAD AND TRANSPORT GROUPS (QLD)

Queensland's Department of Transport and Main Roads partners with local government through 17 Regional Roads and Transport Groups (under the Roads and Transport Alliance) to jointly invest in transport infrastructure improvements. The Transport Infrastructure Development Scheme (TIDS) provides $31.2 million annually through Regional Roads and Transport Groups to be matched by local government in the construction or upgrade of transport infrastructure with regional significance. TIDS can also be used to enhance the safety and accessibility of regional and remote airports.

Regional Roads and Transport Groups have been successful in developing regional transport infrastructure strategies to support business cases for additional state and Australian Government funding. Five Aboriginal Shire Councils have recently joined Regional Roads and Transport Groups to partner with neighbouring councils in improving their asset management and project delivery capabilities, and to directly manage their ATSI TIDS funding.

CASE STUDY: ROYALTIES FOR REGIONS INITIATIVE (WA)

The Royalties for Regions Initiative recognises that sustainable development of regional WA is vital to the state's future. This unique scheme promotes and facilitates economic, business and social development in remote and regional areas by setting aside 25% of mining and petroleum royalty revenue specifically for that purpose.

This Initiative is underpinned by six key policy objectives: building capacity in regional communities; retaining benefits in regional communities; improving services to regional communities; attaining sustainability; expanding opportunity; and growing prosperity.

$6.1 billion has been budgeted through the Royalties for Regions Fund for the period 2008-09 to 2014-15. Funding is distributed across nine regions of WA based on an agreed formula.

CASE STUDY: STRZELECKI TRACK (SA, QLD AND AUSTRALIAN GOVERNMENTS)

Collaboration continues with the SA Government, the petroleum sector and Qld Government to identify transport infrastructure priorities for economic development in this remote part of Australia.

The SA Government continues to seek approval and funding methodologies for the Strzelecki Track upgrade and sealing project, which aims to improve safety and help to reduce freight operator costs. Improvements to the Strzelecki track will bring significant benefits to the petroleum, pastoral and tourism industries, as well as outback communities in the region.

Capturing the wider benefits of projects in remote and regional areas

Cost-benefit analysis (CBA) is the foundation of the project appraisal process. It captures a wide range of benefits and costs, and allows them to be rigorously and transparently traded off.

However, there are a number of challenges in applying this methodology in a remote and regional context. This was an issue raised both at the Forum and through the Draft Strategy consultation process

The CBA tool supports project selection and prioritisation; however, it can be problematic for some remote and regional projects (particularly roads) as their monetised (economic) benefits may be lower than urban projects for the following reasons.

- Generally regional and remote roads face higher construction costs than roads of a similar standard built in urban areas (excluding costs associated with acquisition and tunnelling etc.). These higher costs are driven by higher cost of inputs, access contractors and the impact of extreme weather events on lower quality roads in some areas.
- Lower volumes equate to lower benefits. The benefit streams identified in the Austroads Guide to Project Evaluation are calculated as a function of the number of vehicles travelling along a given road combined with the quality of the road before and after any proposed investment.

Lower volumes on remote and regional roads, combined with higher construction costs, create a challenging set of circumstances for remote and regional based projects to achieve a positive benefit cost ratio (BCR).

Currently the National Guidelines for Transport System Management (NGTSM) acknowledge this problem, and identify alternative tools in the project appraisal process which allow the decision maker to consider non-monetised benefits (such as equity, social inclusiveness, sustainability and biodiversity, convenience). However, these have no impact on the final BCR as the benefits are not monetised.

The NGTSM suggests that non-monetised benefits can be balanced against the CBA results using the following complementary tools:

> *"Initiatives in less densely populated areas tend to achieve lower usage rates. Benefit cost ratios are therefore generally lower, making it more difficult for initiatives to pass the economic efficiency test of the CBA. In these cases, government policy may require greater weight to be given to social, access or equity objectives, relative to economic efficiency (i.e. CBA results).*
>
> *The Guidelines cater for this through the Strategic Merit Test (SMT), the Appraisal Summary Table and the adjusted CBA. Business cases usually also contain explicit reporting of distributional, equity and social impact assessments. The SMT results can be reported at multiple levels (e.g. high pass, low pass, fail) to highlight initiatives that score particularly well on achieving government objectives. Adjusted CBAs can include a distributional multiplier to tilt the assessment process in favour of initiatives that benefit certain communities (e.g. regional areas). It is still important to undertake a CBA so that initiatives with negative net benefits (net present value < 0) will only be approved where the initiative is considered highly desirable for other reasons."*

CBA is not the sole consideration when assessing a project and is one of six considerations used for assessment under the *National Land Transport Act 2014 (Cth)*. Even if priority is given to non-economic benefits, CBA is still useful as it informs the decision maker of the monetised impacts and brings rigour to project development.

The problem in applying CBA in a remote and regional context is that there are additional benefits that conventional application of CBA does not capture. This could be considered the case for impacts of improved road access on health, education and law and order outcomes for remote communities, in particular, indigenous communities. If these long-term benefit streams are to be monetised in CBA in future, significant research would be required to develop methodologies and parameter values.

SNAPSHOT: EXPLORING FUNDING OPTIONS FOR REMOTE AND REGIONAL ROADS – NATIONAL PROJECT

The Northern Territory is leading research into funding and financing remote and regional roads. Themes to be explored include alternative models for road funding including possible distribution methods that support low volume roads in remote and regional areas, private investment in the road network, including developer contribution and the feasibility of financing options, and royalties for regions or similar. The research acknowledges that there are many challenges for road providers in remote and regional areas, where traffic volumes are low, the network is underdeveloped and road provision has a large notional community service obligation. However, investment is vital to support the social and economic development of regional and remote Australia, in particular improved education, health and employment opportunities for Indigenous Australians.

Addressing sustainability in infrastructure maintenance and planning

The formula used for distributing maintenance funding can present a challenge for remote and regional areas. The formula is based on:

- one third total lane kilometres;
- one third vehicle kilometres travelled; and
- one third equivalent standard (ESAs) axels kilometres travelled.

Two thirds of the maintenance funding is based on traffic volumes (e.g. one third heavy vehicles and one third all traffic) even though much of the repairs and maintenance requirement and road deterioration is due to non-traffic factors. For example, bitumen oxidises at the same rate, independent of traffic. Line markings and signs also deteriorate at the same rate independent of traffic. Extreme climatic conditions in some remote areas can create a need for maintenance to be more frequent.

The NGTSM are under review and there is an opportunity to further consider the issues that impact on regional and remote areas. Through the NGTSM Steering Committee, states and territories will work together to investigate and consider approaches to the appraisal of remote and regional transport infrastructure projects, that better capture wider long-term social benefits of investment, particularly for Indigenous communities.

SNAPSHOT: AVIATION (SA)

Remote and regional airports / airstrips in South Australia are chronically unfunded, both for major maintenance and capital works, due to the limited resources of their community owners. While the SA Government matches Australian Government funding (Remote Airstrip Upgrade Program), the funding is insufficient and also limited by the program's narrow criteria.

SNAPSHOT: INFRASTRUCTURE ROAD MAINTENANCE (NT)

Modelling undertaken by the NT Department of Transport indicates that about $38 million per annum is required to maintain the current performance standards on its portion of the National Highways as compared to the current allocation of $16.77 million, resulting in a shortfall of $21.23 million per annum.

Better connecting remote and regional areas

The isolation experienced by remote communities requires a concerted effort to improve community access to the various transport modes, particularly roads. Connecting remote communities is not only important for employment and economic reasons but also for social inclusiveness.

This Strategy sees the establishment of a national rural and remote arterial road network development plan that focuses on key regional strategic secondary roads to complement the national freight networks and associated strategies as a key to improving economic and social connectedness of remote communities.

Focusing on a national rural and remote arterial road network that complements the national freight routes will create opportunities for a range of industries and have flow on economic benefits to remote businesses and the wider community. For example, ensuring secondary roads are up to standard will increase opportunities for tourism in remote and regional areas.

3.1.4 Key Actions

The following Key Actions will help to improve transport infrastructure for remote and regional areas. The table below also shows the relationship between the Strategy's actions and desired long-term outcomes. Appendix A provides further information about how the Key Actions will be implemented.

	KEY ACTION	OUTCOME
1.	Investigate and facilitate opportunities for private sector investment and developer contributions to support remote and regional transport infrastructure construction projects.	Economic and social potential of remote and regional areas is enhanced and contribution toward Australia's economic growth increased.
2.	Consider funding and financing options for remote and regional infrastructure projects, including whole of life costs, and investigate ways in which evaluation and assessment methodologies can better reflect the benefits of remote and regional transport projects.	Transport infrastructure and services in remote and regional areas are sustainable and reflect the needs of local residents and businesses.
3.	Investigate establishing a cross-border rural and remote arterial road network development project that focuses on key regional strategic secondary roads to complement the national key freight routes and associated freight strategies.	Economic and social potential of remote and regional areas is enhanced and contribution toward Australia's economic growth increased.

3.2 Strategic Area 2: Transport Services

3.2.1 Objective

Australians living in and businesses operating in remote and regional areas have access to transport services that meet their needs, provide sustainable economic and employment opportunities, and take into account the higher cost of service provision in remote and regional areas.

3.2.2 Stakeholder priorities

Stakeholder priorities that were raised both at the Alice Springs Forum and through consultation on the Draft Strategy in this area include:

- Better access to transport services through improved coordination across transport modes and jurisdictions.
- Increasing economic and employment opportunities for local communities.
- Higher cost of service provision in remote and regional areas taken into account in service design and funding.
- Improving access to telecommunication services on remote and regional transport routes.

3.2.3 Challenges and opportunities

Improving sustainability of passenger transport services

Transport services in and between remote and regional areas can promote social equity through increasing access to vital services such as health and education. Poor or non-existent public transport between remote communities and regional service towns can also limit access to employment and economic opportunities.

Having access to adequate passenger transport services is especially vital for improving social and economic outcomes for Aboriginal and Torres Strait Islander communities. People living in remote and regional areas expect to have access to basic essential services either locally or by travelling to nearby towns.

While governments provide financial and regulatory support for some long distance passenger services so that transport-disadvantaged communities have year-round access to a range of services, this is often done at a considerable cost.

SNAPSHOT: LONG DISTANCE TRAVEL – AUSTRALIAN GOVERNMENT SUPPORT

Government support (tax incentives, subsidies or funding for infrastructure upgrades) for remote and regional infrastructure are provided at considerable cost to the budget bottom line. For example, the Australian Government's funding initiatives include the $210 million Cape York Regional Package, $9 million Regional Airstrip Upgrades, $33 million Outback Way, $90 million Regional Roads Productivity Package, $1.75 billion extension of the Roads to Recovery Program and some $12 million per annum for the Remote Air Services Subsidy Scheme and additional support of $1 million per annum for regional aviation by introducing a targeted Enroute Scheme for regional commercial airlines.

The fiscal constraints make it essential to explore other means that can complement these efforts to ensure remote communities are not economically and socially disconnected. Governments cannot do it on their own and must look at ways that maximise, rationalise and build on existing services.

CASE STUDY: IMPROVING REGIONAL ACCCESS THROUGH MODE-NEUTRAL RATIONALISATION (QLD)

The Queensland Government has worked with a number of shire and regional councils to rationalise rural rail lines. Through closure of poorly used rail branch lines, government and councils reallocated rail maintenance funding to other more intensively used elements of the rural transport networks such as council-owned roads or state-controlled roads. This approach has funded road safety and amenity benefits for these communities.

In 2009–10, together with Balonne Shire Council, the closure of the Thallon to Dirranbandi rail line was agreed, redirecting funding to maintain Noondoo Thallon Road. Further agreements were made with Gympie and South Burnett regional councils to close the Theebine to Kingaroy branch line and undertake a number of road projects across the councils. For the already closed Winton to Hughenden branch line, funding was redirected to upgrading the state-controlled Kennedy Developmental Road, as well as rail infrastructure improvements at Winton.

Involving local communities/businesses in developing place-based solutions to remote and regional transport issues has demonstrated success in the past but often the challenge for communities is developing long-term solutions that are sustainable, particularly when services are important to remote communities but stand to produce little economic return for commercial operators.

Developing a community transport framework that supports the use of existing services and resources to develop sustainable community driven passenger services will help improve linkages between remote communities and towns providing services. This is particularly important given that the proportion of dwellings in very remote areas that have no motor vehicle is 15.7 per cent compared to 9.2 per cent in major cities.

CASE STUDY: REMOTE BUS PROGRAM (NT)

The Remote Bus Program delivers operational funding assistance (subsidies) to remote bus transport operators, allowing operators to explore additional routes in remote areas that may not be commercially viable in the short term. Grant funding provided through the program has also enabled robust vehicles to be purchased so that operators can access remote areas on unsealed networks.

$2.7 million was provided for capital and operational support for passenger bus service trials in remote and regional areas of the NT over an initial two year period. The NT Government recommitted a further $1.2 million to continue the Program's services across the NT for an additional three years until the end of 2016.

Funding from this Program has enabled eight new bus services to be established across the NT, including long distance services to remote communities. Buses are operating in the Alice Springs and Katherine regions as well as the Gove area.

In its first three years of operation, over 83,000 passengers travelled on the Program's services and passenger numbers are growing steadily each year.

CASE STUDY: REGIONAL TRANSPORT COORDINATION PROGRAM (NSW)

As part of the Regional Transport Coordination Program, the *Young to Wagga Wagga Transport Corridor Project* in the Murray-Murrumbidgee region is providing assistance to those who are transport disadvantaged (persons who are affected by specific circumstances that leave them with limited or no access to private transport, and who may have difficulty accessing conventional public transport).

This provides a two day a week demand responsive, flexible, same day return service linking the communities of Young, Wombat, Wallendbeen, Cootamundra, Bethungra and Illabo (Junee) to Wagga Wagga. The service uses the spare capacity available from another service travelling along the same corridor.

In addition, the *Gilgandra and Beyond Project* in the Central West region includes subsidised bus transport provided for young people within Gilgandra Shire to access social, sporting and cultural activities not available locally.

Supporting critical air and sea transport services in remote areas

Remote communities often rely on aviation services given the lack of road access during the wet season and vast distances passengers need to travel. However flying to and from remote and regional parts of Australia is generally more expensive than in other areas.

Smaller aircraft are generally used in remote areas to reflect the smaller population markets served and available aerodrome infrastructure. High operating costs, resulting from the low number of seats available and long distances travelled, can affect air fares and freight costs.

With aviation being critical to remote Australia, the Alice Springs Forum identified the need to explore a nationally centralised approach to remote aerodrome administrative management, service delivery and funding arrangements.

SNAPSHOT: HIGH AIRFARE COSTS (REMOTE AND REGIONAL AREAS)

Amendments to Australian Government aviation security regulations that came into effect in 2012 have resulted in a substantial increase in airfares to some regional airports to cover passenger screening operations and security screen infrastructure replacement

In addition to a reliance on air services, communities in remote coastal and island locations can also be also highly dependent on shipping and barge services, as is the case in Tasmania and the Northern Territory. Ensuring critical aviation and maritime infrastructure are able to be maintained to acceptable standards to enable sustainability of operations through appropriate repairs and maintenance funding is considered to be a key priority for supporting the social and economic viability of remote communities.

CASE STUDY: RELIANT ON SEA ACCESS (TAS)

For King Island and the Furneaux Group of Islands in Bass Strait, both air and sea access for products and people are of central importance. Much of these islands' fresh food, medical supplies and passengers are carried by air, while their livestock industries rely heavily upon regular and low cost shipping services to mainland Tasmania. In turn, shipping services for the Bass Strait islands are limited by natural constraints at their ports and by maritime weather.

Dependencies on sea transport also bring unique challenges for regional business in Tasmania more broadly. Over 99% of goods leaving and arriving in Tasmania are moved by sea across Bass Strait, and sea freight is inherently expensive over short distances, due to its high fixed and low marginal costs.

SNAPSHOT: BARGE LANDINGS (NT)

There are 14 barge landings across the NT maintained by the NT Government. The barge landings are located on Aboriginal Lands. These barge landings are pivotal to the viability of island and remote mainland communities, providing freight access during the wet season where roads are often inaccessible for up to six months of the year. A majority of the facilities do not meet the minimum standards proposed for the barge landing and compound configuration. They also require additional maintenance and repair works.

Supporting employment and economic development

Remote and outer regional communities face very limited employment and economic opportunities compared to those in inner regional areas and major cities. The construction and maintenance of transport infrastructure and provision of services are all potential levers to realising employment and economic opportunities for local communities.

Governments are all committed to providing economic and employment opportunities in remote and regional areas, particularly for Indigenous communities. This includes identifying and creating economic opportunities for local Indigenous suppliers and contractors through procurement policies (for example, the Commonwealth's Indigenous Procurement Policy), and maximising employment opportunities on transport infrastructure construction and

maintenance projects. Jurisdictions will look at current models and approaches that aim to increase employment and economic opportunities in remote and regional areas with a view to better understanding their challenges, effectiveness and relevance to different remote and regional contexts and identifying best practice in this area.

CASE STUDY: CREATING OPPORTUNITIES FOR REMOTE INDIGENOUS EMPLOYMENT (WA)

The Roads Foundation is a non-profit organisation supported by Main Roads WA, Lotterywest and the Western Australian Local Government Association. It has a strong track record of developing an Aboriginal workforce on road and bridge building activities in remote areas of the state.

The Roads Foundation uses a unique community-based model that includes direct engagement with regional and remote communities, visits to local schools and liaison with Aboriginal Workforce Development Centres (part of the WA Department for Training and Workforce Development). It also facilitates the inclusion of indigenous training, development and employment opportunities in new road infrastructure maintenance contracts. Technical traineeships are offered and the Foundation now has a very effective role model and mentoring program, where those that have been through the training system help guide and encourage newcomers. There have been instances of several generations of the one family being gainfully employed on projects.

Addressing the higher cost of doing business

The cost of delivering transport services is higher in remote and regional areas due to poor standard of remote and regional infrastructure and high vehicle operation and maintenance costs. In addition, the disruptions to service provision due to severe weather can often affect the reliability and profitability of service providers.

The 2014 Alice Springs Forum identified current user charging and cost recovery arrangements for heavy vehicles in particular as a key issue for remote and regional areas. This was attributed to the higher start-up and operating expenditure required for a transport provider to service remote communities due to road conditions. Any reform to heavy vehicle charging must consider the impacts on regional and remote areas.

Under current arrangements, all heavy vehicle road users pay the same rate of fuel excise. While there are currently concessions for the registration of road trains, remote transport operators tend to pay proportionally higher levels of fuel excise because they use more fuel while operating often on inferior roads over vastly greater distances. In addition, the need to use vehicles with a higher standard of robustness and the frequent need for repairs and maintenance due to greater wear and tear substantially increases operator costs.

The Commonwealth Government's current review of Australia's taxation system provides an opportunity to consider tax reform options that could improve user charging arrangements embedded within the taxation system. Broad stakeholder consensus from the Alice Springs Forum highlighted the importance of ensuring this review takes into consideration any impacts on remote and regional operators.

CASE STUDY: UNSEALED ROADS IN UNINCORPORATED AREAS (SA)

The condition of the 10,000 km unsealed roads in unincorporated areas of South Australia that the SA Government is responsible for can be extremely variable depending on prevailing weather condition. In particular, summer thunder storms can make these roads impassable and isolate outback and remote communities.

Currently the SA Government invests $7.2 million per annum on resheeting / reconstruction of unsealed roads and $9.4 million per annum on patrol grading. In general this funding has only increased marginally over the years in line with the consumer price index. This allocation enables in the vicinity of 70 km of road to be reconstructed on an annual basis. The SA Government has identified 2,100 km of road that require resheeting / reconstruction.

Operating cost in general are far more significant on unsealed roads with some transport companies indicating that trucks are required to be serviced after a round trip on the Strzelecki Track.

Communications infrastructure for key remote freight routes

Another challenge for many remote and regional areas is a lack of access to adequate telecommunication services. A lack of telecommunications services across key stretches of transport routes in these areas not only limits opportunities for transport operators but can also compromise access to emergency services if needed.

The inability to access reliable telecommunications can hinder the achievement of important economic and social development goals. In particular, remote and regional communities and businesses can be severely limited by the inability to access everyday telephone and internet communications services.

It is proposed that Council will raise the issue of telecommunications along key freight routes in remote and regional areas to be considered in the development of future regional telecommunications initiatives.

3.2.4 Key Actions

The following Key Actions will help to improve transport services across remote and regional areas. The table below also shows the relationship between the Strategy's actions and desired long-term outcomes. Appendix A provides further information about how the Key Actions will be implemented.

	KEY ACTION	**OUTCOME**
4.	Develop a community transport framework that supports the use of existing services and resources to develop sustainable community driven passenger services to improve linkages between remote communities and towns providing services.	Access to services and economic opportunities across remote and regional areas is improved.
5.	Explore a nationally centralised remote aerodrome administrative, management and service delivery approach, including funding arrangements.	Policy and regulation across similar environments (i.e. remote outback cross-border) are aligned where appropriate.
6.	Provide employment and economic opportunities for local communities on key transport infrastructure construction and maintenance projects and services.	Economic and social potential of remote and regional areas is enhanced and contribution toward Australia's economic growth increased.
7.	Explore opportunities to ease the cost burden on remote and regional transport operators through the Commonwealth Government's tax system review.	Access to services and economic opportunities across remote and regional areas is improved.
8.	Advocate for key freight routes in remote and regional areas to be considered in the development of future regional telecommunications initiatives.	Economic and social potential of remote and regional areas is enhanced and contribution toward Australia's economic growth increased.

3.3 Strategic Area 3: Transport Regulation

3.3.1 Objective

Ensure that regulation and standards take into account remote and regional issues, minimise regulatory burden and compliance costs for operators in remote and regional areas, are risk-based, and are enablers to achieving improved infrastructure and transport services in remote and regional Australia.

3.3.2 Stakeholder priorities

Stakeholder priorities that were raised both at the Alice Springs Forum and through consultation on the Draft Strategy in this area include:

- Minimising regulatory burden and inconsistency in transport regulation and standards.
- A risk-based approach to regulatory requirements and access conditions.
- Unlocking transport infrastructure development and related services opportunities through regulatory amendments.

3.3.3 Challenges and opportunities

Increasing flexibility in regulatory approaches

Inconsistencies in transport regulation and standards across states and territories present a major challenge to service provision and transport operators in remote and regional areas. Regional transport operators continue to highlight issues with the current regulatory environment and seek more flexible approaches to the application of regulations and standards where there is no risk of compromising safety, to enable more efficient operations and smoother access across jurisdictional borders.

SNAPSHOT: CROSS BORDER CORRIDOR TRAFFIC VOLUMES (2011-12)

- Brisbane – Darwin corridor (which extends to Toowoomba (Queensland) to the intersection of Barkly and Stuart Highways): Average traffic volumes of 1000 vehicles per day (almost 25% consisted of heavy vehicles).
- Perth – Darwin corridor: Average 680 vehicles per day (29% consisted of heavy vehicles).
- Perth – Adelaide corridor: Average traffic volumes of 1700 vehicles per day (24% consisted of heavy vehicles).
- Adelaide (Port Augusta) – Darwin corridor (which extends from Port Augusta to Darwin): Average traffic volumes of 860 vehicles per day (20% consisted of heavy vehicles).

Source: Bureau of Infrastructure, Transport and Regional Economics (BITRE) 2014, *Traffic on the national road network, 2011–12*, Information Sheet 63, BITRE, Canberra.

Some of the challenges identified by transport operators include:

- Different regulatory requirements for heavy vehicle pilots and escorts for oversize vehicles create complexity and inefficiency in cross-border operations for the transport industry.
- National heavy vehicle road fatigue laws have implications for remote areas – in particular, the lack of rest stops on remote roads in some areas, with unsealed networks requiring much slower speeds and significantly longer travel times.
- Heavy vehicle steer axle mass limits vary across jurisdictions and additional steer axle mass allowances are required in order for prime movers to meet Euro-6 emissions standards.
- Inconsistencies in standards and regulations lead to delays in securing the necessary approvals from various jurisdictions, therefore impacting business timeframes and deadlines.

CASE STUDY: SAFE AND SUSTAINABLE TRANSPORT AND REDUCED RED TAPE (SA)

A petroleum industry-government partnership to maintain safe and sustainable transport and reduced red tape along SA-QLD 'wharf to well' corridors to the Cooper-Eromanga basins is underway

Cooperation continues with industry, SA, QLD and Australian Governments and relevant national regulators to understand the current regulatory frameworks and to identify opportunities and priorities to enable transport corridors without extraneous road transport-related regulation.

Different parts of Australia face different types of safety and security risks, and it is important that operators in remote and regional areas are not unnecessarily burdened by regulation that is more geared towards risks that are more likely to manifest in major cities. Different levels of risk also mean there is a need to focus on ensuring the regulatory burden is fit-for-purpose and does not impose unnecessary costs and constraints on industry.

It is envisaged that adopting risk-based regulatory approaches that achieve the same safety and efficiency outcomes without imposing unnecessary regulatory burden for operators would contribute significantly to the sustainability of services in remote and regional areas.

SNAPSHOT: CROSS BORDER REGULATION AND HARMONISATION (VIC & NSW)

The Victorian Government has been working closely with the Gippsland Local Government Network in the development and implementation of the Gippsland Freight Strategy. The Strategy includes investigating options to harmonise road regulation between Victoria and New South Wales in the East Gippsland region.

Making remote air transport more sustainable

Air access is critical to a range of human service agencies, in particular health and police. In addition, remote and regional communities often rely on aviation services due to geographical limitations making other forms of transport difficult and sometimes impossible.

Remote airports do not necessarily carry the same type or level of security risk as other more major airports. Undue requirements in relation to security can significantly increase operating costs for remote operators and this can translate to an unnecessary cost-burden, which must then be passed onto the end-user.

Aviation stakeholders have highlighted a strong desire for enhanced flexibility based on an understanding of relevant risks assessment which does not compromise safety or security. A risk-based approach to regulation has the potential to increase productivity and economic opportunities by reducing red-tape, while ensuring safety and security are not compromised.

SNAPSHOT: UNINTENDED IMPACT OF AVIATION LEGISLATION (NT)

Demand for air services – which directly relates to opportunities for tourism, access to communities, delivery of services and business support – in regional and remote areas of the NT is impacted by costs associated with:

- meeting stringent security and safety requirements at regional airports and remote aerodromes, without the passenger numbers of other capital cities or larger regional centres; and
- the international passenger movement charge, which presents a higher portion of the fare for short-haul flights, which are the majority of flights from Darwin.

Supporting remote air and marine services

Aboriginal communities benefit significantly from community infrastructure investment such as roads, barge landings and air strips. However, there is a perception that the complex processes involved in Aboriginal land administration can restrict transport infrastructure development and related service opportunities and this limits the social and economic benefits that flow to remote Indigenous communities.

Land tenure issues arising from native title are complex and sensitive; however, the transportation of essential goods and services into remote Aboriginal communities depends on access to critical infrastructure such as roads, aerodromes and barge landings. Governments and remote and regional transport operators aim to facilitate access to remote communities to ensure they receive the services and goods they need, but can be deterred from making significant investments in infrastructure without security of tenure over the land on which it is situated.

To this end, it is important that governments, land councils, native title representative bodies and local communities work together to find practical solutions to the complexities associated with and arising from Aboriginal land administration and native title.

SNAPSHOT: ABORIGINAL LAND RIGHTS (NORTHERN TERRITORY) ACT (1976)

A significant portion of the NT's roads are situated on or adjoin Aboriginal land, requiring sensitive management in relation to tenure, costs and logistics. Project delivery on Aboriginal land can be impacted significantly, often due to lengthy and complex negotiations on access, leasing and tenure arrangements.

Aboriginal land granted under the *Aboriginal Land Rights (Northern Territory) Act (1976)* (ALRA) is amongst various categories of land holdings exempted from rates under the *Local Government Act* (NT), which, due to complexities around leasing payments under ALRA, curtails rate raising revenue in the majority of the NT's remote and regional areas. The inability to charge rates on Aboriginal owned land impacts the availability of funding to support the ongoing management and maintenance of infrastructure assets.

3.3.4 Key Actions

The following Key Actions will help to address legislative and regulatory issues across remote and regional areas that adversely impact remote and regional transport. The table below also shows the relationship between the Strategy's actions and desired long-term outcomes. Appendix A provides further information about how the Key Actions will be implemented.

	KEY ACTION	OUTCOME
9.	Develop and consider models for flexible risk-based regulation that aim to achieve consistency in access and operating conditions across borders, and reduce regulatory burden in remote and regional areas.	Policy and regulation across similar environments (i.e. remote outback cross-border) are aligned where appropriate.
10.	Identify opportunities to apply risk-based approaches to the regulation of safety and security at remote and regional airports with a view to applying proportionate regulatory obligations based on level of risk.	Transport infrastructure and services in remote and regional areas are sustainable and reflect the needs of local residents and businesses.
11.	Work with key stakeholders to address Aboriginal land administration/native title issues associated with delivering transport infrastructure and services in remote communities.	Economic and social potential of remote and regional areas is enhanced and contribution toward Australia's economic growth increased.

4 IMPLEMENTATION, MONITORING AND REPORTING

This strategy aims to address the major issues raised by industry stakeholders in the three strategic areas of Transport Infrastructure, Transport Services and Transport Regulation. While there are a range of other issues impacting remote and regional transport, this Strategy seeks to bring together a set of key actions that will begin to address some of the common issues and themes frequently raised by stakeholders.

Since the Alice Springs forum was held in May 2014, and the subsequent release of the Draft National Remote and Regional Transport Strategy for public comment in May 2015, governments have made significant inroads into addressing many of the issues that were highlighted by key stakeholders during consultation. As such, the Strategy's implementation plan is framed in a way which captures the ongoing effort including work that has commenced on some of the Strategy's Key Actions.

A cross-government Working Group will drive and monitor implementation of the Key Actions identified within the Strategy. The Working Group will engage with key stakeholders on the implementation of Key Actions relevant to them, and provide opportunities to identify and progress solutions to issues highlighted in this Strategy where appropriate.

In recognition of the need for robust accountability and to effectively monitor progress of the Strategy's implementation, a report will be provided to the Transport and Infrastructure Council each year until all actions under the Strategy have been delivered. These reports will be made publicly available to provide stakeholders with access to information about progress and achievements.

4.1 Appendix A: Implementation Plan

Key Action	Implementation	Timing
1. Investigate and facilitate opportunities for private sector investment and developer contributions to support remote and regional transport infrastructure construction projects.	Jurisdictions through Austroads are developing a framework for guiding private sector participation which will improve access through direct private investment in public road infrastructure. The framework seeks to improve access for freight vehicles through direct private investment in public road infrastructure. This private investment will provide industry with specific infrastructure enhancements and enable productivity gains, which otherwise would not be possible due to constraints on government capacity. Further funding and financing options for regional and remote areas will be explored through the implementation of Key Action 2.	Underway
2. Consider funding and financing options for remote and regional infrastructure projects, including whole of life costs, and investigate ways in which evaluation and assessment methodologies can better reflect the benefits of remote and regional transport projects.	The Northern Territory is leading research into funding and financing remote and regional roads. Themes to be explored include alternative models for road funding including possible distribution methods that support low volume roads in remote and regional areas, private investment in the road network, including developer contribution and the feasibility of financing options, and royalties for regions or similar. Council is currently overseeing a review of the National Guidelines for Transport System Management (NGTSM). The NGTSM provide a comprehensive framework for strategic transport planning and approaches to the assessment of transport infrastructure projects. The NGTSM review will take into consideration contemporary approaches to planning and assessment and seek to improve alignment with other major approaches (such as cost benefit analysis). Through the NGTSM Steering Committee, states and territories will work together to investigate and consider approaches to the appraisal of remote and regional transport infrastructure projects, that better capture wider long-term social benefits of investment, particularly for Indigenous communities.	Underway Underway
3. Investigate establishing a cross-border rural and remote arterial road network project that focuses on key regional strategic secondary roads to complement the national key freight routes and associated freight strategies.	States and territories will explore the potential to build on the recently completed national project to map key freight routes to identify key secondary rural and remote arterial roads that complement the national key freight routes and support remote and regional social and economic development. This work will utilise and align to existing strategies in each of the jurisdictions and aim to inform and prioritise investment in secondary rural and remote roads that have strategic value for enhancing regional and sectoral productivity over the longer term. It is envisaged that this work will be informed by the TRAnsport Strategic Investment Tool (TRANSIT) to ensure alignment with existing frameworks and approaches.	Ongoing
4. Develop a community transport framework that supports the use of existing services and resources to develop sustainable community driven passenger services to improve linkages between remote communities and towns providing services.	The Northern Territory will lead the development of a community transport framework that will examine place-based approaches to the delivery of community passenger transport services. This will include a summary of best practice both nationally and internationally. The project will examine grassroots community driven initiatives operating across remote and regional areas to identify potential approaches to addressing common issues and barriers to transport service provision.	Commencing 2016.

5. Explore a nationally centralised remote aerodrome administrative, management and service delivery approach, including funding arrangements.	In partnership with other jurisdictions, the Northern Territory will lead further investigation into the issues relating to the operation, management, funding of remote aerodromes; and risk-based approaches to regulation and safety in regional and remote aerodromes.	Commencing 2016.
6. Provide employment and economic opportunities for local communities on key transport infrastructure construction and maintenance projects and services.	State and territory governments will work together to identify models for increasing Indigenous employment on remote and regional transport construction and infrastructure projects. The projects will consider best practice approaches in procurement and other relevant policy levers and give consideration to the issues and challenges arising from them.	Commencing 2016
7. Explore opportunities to ease the cost burden on remote and regional transport operators through the Commonwealth Government's tax system review.	States and territory governments will, through their central agencies respective treasury departments, identify key transport-related taxation issues and raise them for consideration as part of the Commonwealth Government's review of Australia's taxation system. In addition, research will continue into funding and financing options to support transport infrastructure and service delivery in regional and remote areas and the impact of national reforms.	Underway Underway
8. Advocate for key freight routes in remote and regional areas to be considered in the development of future regional telecommunications initiatives.	The Commonwealth Government undertakes a review of telecommunications in regional and remote parts of Australia every three years to consider the adequacy of telecommunications services. The Council will write to the Commonwealth Minister for Communications to request that key freight routes in remote and regional areas be considered in the development of future telecommunications initiatives and prioritisation of funding for remote and regional areas of Australia. Where appropriate, Council will use the national key freight routes and key secondary rural and remote roads that complement the national key freight routes to inform future correspondence with the Minister for Communications and the Regional Communications Independent Review Committee, about remote and regional transport-related communications issues.	Early 2016
9. Develop and consider models for flexible risk-based solutions that aim to achieve consistency in access and operating conditions across borders, and reduce regulatory burden in remote and regional areas.	Jurisdictions through the Remote Area Consultative Group will further examine the infrastructure and regulatory issues facing transport operators, operating across borders in remote areas of Australia and will identify issues that can be addressed in broad categories including infrastructure bottlenecks; regulatory inconsistencies and fatigue management inconsistencies.	Underway

10. Identify opportunities to apply risk-based approaches to the regulation of safety and security at remote and regional airports with a view to applying proportionate regulatory obligations based on level of risk.	The Commonwealth Department of Infrastructure and Regional Development has commenced work to identify options for structural changes to the current aviation security regulation framework. This work is focused on identifying opportunities to move from the current one-size-fits-all model to a more risk-based proportionate approach to aviation security regulation. In addition, the Civil Aviation Safety Authority is undertaking a post-implementation review of Part 139 of the Civil Aviation Safety Regulations. This review aims to identify key challenges, and facilitate improvements to the regulations, acknowledging aerodrome operators and the wider aviation industry are currently experiencing unnecessary cost and operating impacts associated with safety regulations.	Underway Underway
11. Work with key stakeholders to address Aboriginal land administration/native title issues associated with delivering transport infrastructure and services in remote communities.	Through the Council of Australian Governments, the Northern Territory is leading a review by senior officials into Aboriginal land administration and use, with a view to improving economic efficiency and potential for Traditional Owners and private businesses and service providers operating on Indigenous land. The review will have a particular focus the Indigenous land legislative, regulatory, administrative and operational systems and processes.	Underway

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