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VINCENT TREMAINE ON WHY POOR ROADS ARE MAKING OUR STATE LESS COMPETITIVE

SOUTH Australia has been left out in the cold - again.

The Federal Government's AusLink White Paper - its much-vaunted land transport funding plan released this week - should send shivers down the spines of all South Australians.

AusLink - or "EastLink" as the South Australian Freight Council has dubbed it - is nothing more than an east-coast-centric initiative that sees the eastern seaboard states of Queensland, New South Wales and Victoria receive about 85 per cent of the national funding.

South Australia will receive less than four per cent.

On a per capita basis, the funding imbalance is even more revealing, with South Australia receiving \$203 a person.

By comparison, New South Wales receives double that at \$406 a person, Queensland \$423; Victoria \$322; Western Australia \$294; Tasmania \$348, and the Northern Territory \$583.

Is the Federal Government telling us that South Australians are not as deserving of funds as other states and territories?

Analysis of historical road funding for South Australia reveals we have regularly received less road transport funding than is equitable.

With almost 15 per cent of the total national highway network, we have been receiving less than eight per cent of national maintenance funding.

AusLink continues this inequity.

The poor state of the Dukes Highway between Bordertown and the Victorian border is an example of what happens when roads are not properly maintained.

Because funding for road maintenance has been inadequate for some time, we now have a backlog of maintenance requirements that require urgent attention before efficiency and safety on our roads deteriorates further.

Ultimately, this Commonwealth neglect will lead to a continuing deterioration of transport links to our major port, airport and production facilities, and will lead to a decline in South Australia's competitiveness with the rest of the nation, and internationally.

Businesses and people will locate elsewhere.

Inadequate transport infrastructure increases operating costs for transport operators through damage to equipment (trucks and the like) and increased time to delivery points.

Increased costs will be recouped through higher freight rates, making our producers less competitive.

The prices of SA goods will increase, as will prices for goods produced interstate and overseas that find their way onto our supermarket shelves and eventually our dinner tables.

Initially, it might become more attractive to send freight to international markets through interstate ports where the access links are of a higher standard, and sea and air freight service levels are also higher.

Our ports and airports will suffer from the decline in throughput, and again their prices will rise to cover their fixed costs.

A price spiral will ensue, further worsening our competitive position.

The general consensus of the transport industry and general business community is that SA is being ignored, in favour of development in the eastern seaboard states.

But why turn out the lights?

Australia's freight task is forecast to double by 2020, with a resultant 40 per cent increase in congestion.

In this respect, South Australia, with adequate funding, is ideally positioned to take the strain off the eastern seaboard, by increasing the international throughput of its air and sea ports (which have excess capacity available).

In the absence of appropriate access corridors and links to Adelaide's ports and airport, the nation will not be able to access this available capacity, and will need to invest extensively in facilities, further reducing available funding for projects in regional Australia, including South Australia.

The Federal Government has played lip service to the people of South Australia.

In a federal election year - where South Australia is expected to feature prominently in the marginal swings required for victory for either of the major parties - South Australia deserved to have fared much, much better than it has.

The Auslink funding may well come back to haunt the Federal Government later this year.

To add insult to injury, if Victoria beats South Australia in being the first to deepen its main port, and reap the associated economic benefits, can the last to leave SA please turn out the lights?

Vincent Tremaine is chairman of the South Australian Freight Council.