

SOUTH AUSTRALIAN COMMENTS ON THE NEW ISSUES FOR THE 2016 UPDATE STAFF DISCUSSION PAPER (CGC 2015-04-S)

South Australia has no comments on the staff proposals regarding issues arising from the 2015 Review report.

Commonwealth payments commencing in 2014-15

South Australia supports the treatments proposed by Commission staff in Table A-1 of Attachment A.

Commonwealth payments commencing in 2015-16 and 2016-17

South Australia supports the recommendation of Commission staff not to backcast Commonwealth payments commencing in 2015-16 and 2016-17 as set out in Table A-2 as they are not the result of a major change in Commonwealth-State financial arrangements.

Building Australia Fund – rail component

In 2015-16 and 2016-17, South Australia will receive funding of \$232.1 million (\$102.0 million in 2016-17 and \$130.1 million in 2017-18) under the Building Australia Fund – rail component. This funding is for the grade separation of the Australian Rail Track Corporation's (ARTC) interstate rail line and the metropolitan rail line at the Goodwood and Torrens rail junctions.

Without the grade separation, trains on the interstate (ARTC) line have to give way to passenger trains, causing significant delays to both freight trains and road traffic.

The Goodwood grade separation will improve the operational efficiency of the interstate line by:

- removing the need for the ARTC line to give way to the Noarlunga line;
- increasing the speed ARTC trains can approach the intersection; and
- enable the use of 1.8 km freight trains, increased from 1.5 km. This also increases the maximum length of trains travelling between the eastern states and Perth.

As this project significantly improves interstate rail transport, South Australia believes that the funding provided by the Commonwealth for this project is primarily to upgrade the national rail network and only 50% of the payment should be impacting.

This should be considered by the Commission in the 2017 Update process.