



Australian Government
Infrastructure Australia

The Bingara Accord: Australia's rural road system

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Bingara (near Moree)
Australia Day 2014

Ladies and Gentleman. Before we begin, I would like to acknowledge the Kamilaroi people who are the traditional custodians of this land. I would also like to pay respect to the elders past and present of the Kamilaroi nation and extend that respect to other Aboriginal people present.

It is entirely fitting that we are in rural Bingara today, on Australia Day.

It is a reminder of the significant contributions that rural Australia can, has and will make to this country. Throughout our history, Australia has met the toughest of challenges.

Today, our national potential is being limited by structural issues in our road network. However, while high level discussions take place in the cities, usually, major breakthroughs happen in regional settings.

Big issues have been resolved in the bush.

Energy. We built the Snowy Mountains Scheme near rural Jindabyne which still today produces the majority of our renewable energy. It was also the symbol of a new Australia, an Australia of many cultures united in innovation much like the multi-cultural towns around us.

Employment rights. Shearers from across Queensland arrived in Barcaldine to strike, and in doing so guaranteed workers' rights, educational outcomes and ultimately better standards of living for generations.

Racism. Not far from here, in rural Moree, the 'freedom riders' confronted antiquated and racist views that were challenged and eventually removed from the political landscape.

Education. The greatest overhaul in school funding was sparked by the Catholic Schools in Goulburn. At the same time it reminded government that they have an obligation to provide appropriate services to every Australian.

Climate change. Now, more than ever, we look to NSW, to northern NSW, to provide the solution to our modern energy needs.

The solar panels at Bingara Central School show us what a modern educational system can look like, addressing the problem of climate change.

Today we need to address another severe problem. Late last year my office produced a '*State of Play*' report on the standard of all our key infrastructure assets.

The report asked the same questions of all types of infrastructure across the nation.

Australia's roads were the only piece of infrastructure to fail every single test despite affecting nearly every Australian.

Let me go on record to explain the true size of this problem and the reasons.

We have never spent more on our roads, yet the problems are everywhere. Some roads are in disrepair, some hardly used and others congested.

I know that rural Australians know the significance of roads better than anyone.

We simply cannot solve this problem through money for new roads alone.

What concerns my office most is that as of last year, we are now officially living beyond our means.

In 2011-12, Australia's federal, state, territory and 550-plus local governments spent a combined \$19.5 billion on our roads, yet we only raised \$18 billion in road-user revenue.¹

Even supporters of the system find it increasingly difficult to defend. Unlike almost all other infrastructure and government services, road spending comes with no expectation of efficiency.

There is not any evidence to show that we are making the best decisions.

¹ http://www.bitre.gov.au/publications/2013/yearbook_2013.aspx Table T1.2e and Table T 1.3

This is unlike any other critical function in the country. In education, there are literacy tests, in defence, performance reviews, in rail, on-time running. In roads there is purely a photo-op of a fresh piece of bitumen. Somehow it has been deemed appropriate to spend \$19 billion on *something*, but never feel the need to measure the results.

The current heavy vehicle reform process is certainly failing and recent research suggests that the real economic cost of roads is not being addressed.²

Despite the numerous studies, creating efficient road infrastructure has indeed been a road less travelled

This leads me to one conclusion. Our system of dealing with roads is like a beaten army. I don't say this lightly. Road agencies are responsible for infrastructure that in many cases isn't fit for purpose.

² Stanley, J and Hensher, D 2011, *Environmental and Social taxes: Reforming road pricing in Australia*. bic.asn.au/_literature_93427/Stanley_and_Hensher_Road_Pricing

Governments face road expectations they cannot meet. The danger is loss of discipline in charging and spending, and a loss of belief that we can pursue efficiency, equity and innovation. We pass our problems to others and the next generation.

All of this takes place as a new federal government takes power with a new Prime Minister who wants to secure a legacy as a road building Prime Minister.

Fancy that, a politician using roads as leverage and subsequently winning an election.

There has never been more private capital wanting to invest in Australia's infrastructure. However, this money has been kept out of investing in return for better commercial freight vehicle access.

This has held back our economy significantly: Infrastructure Australia's own research would suggest this loses us billions each year.

Like the classic beaten army, the system makes sure that others – like the private sector – don't help.

The private sector is never given the right to make any productive freight-focussed investments where they make commercial sense. After all, if they did invest we could see that the problem is of our own making.

In my experience, the last person to hear the news straight is the Minister in charge.

Unfortunately, the one who really makes the decisions is never really informed.

They are usually presented with an argument with the same old line 'we need more money.'

Infrastructure Australia's response to this problem is this: either change this system to something fairer and with greater value for money, or prepare for a generation of debt and inadequacy in our road system.

My office has for the last three years put in the public domain a simple and reliable way to make road provision more efficient, equitable and innovative. This is to:

- Audit and publish the condition of Australia's 800,000km stock of roads.
- Develop standards for these roads and measure condition against the standard.
- Invite the private sector to invest on a *user pays, user gets* basis; and

- Create a national road portfolio manager.

Through measuring the condition of roads we should be able to improve our national productivity. Whilst the bureaucratic shellbacks held this to be impossible, the Australian Rural Roads Group showed us that it indeed is achievable.

Unlike any other group in Australia, this one decided not to ask for money. They and the local governments who took part in this report proved Canberra wrong.

Inside three months, the local governments who participated had mapped the actual condition of over 13,000 kilometres of roads. Every single road in their shires was measured.

We could quite conceivably build standards and then ensure this region can efficiently and equitably reach those standards in the years to come.

This has enormous national implications for the efficiency of our road spending.

The other great achievement of this report was to show that once reports were made available to the farmers and freight operators of these regions, they are perfectly capable of sitting down and developing their own much higher-productivity road investments. Bingara has presented us with a solution we must follow.

I am very proud to be here to launch the National Road Asset Reporting Pilot.

The report shows how and why our system should be managed. This highlights the significance of the issue to our national decision makers. The report should encourage us to bring policy and thinking about roads to the mainstream, to employ a user pays trial, to use the asset and investment template of the rural roads group and to provide suitable financing submissions to Infrastructure Australia.

I am also here to honour the Australian Rural Roads Group and the local government mayors, engineers, grader drivers, local farmers and freight operators who brought this report into being. I would like to particularly honour Richard Jane, the Director of Technical Services in Gwydir Shire Council...

Today, Australia Day 2014, I will conclude by signing on behalf of my office the next major reform led by rural Australia.

This *Bingara Accord* acknowledges the excellent work of the Australian Rural Roads group in charting the most significant overhaul in Australia's roads and their funding since Federation. In doing so, the Accord recognises that the greatest changes in Australia have always occurred due to harmony between rural Australia and solid and sustainable infrastructure.

There are many important and influential individuals and organisations present today. I encourage you to take the lead from this group and unite in common cause for practical road reform.

It is a road that we simply must take.