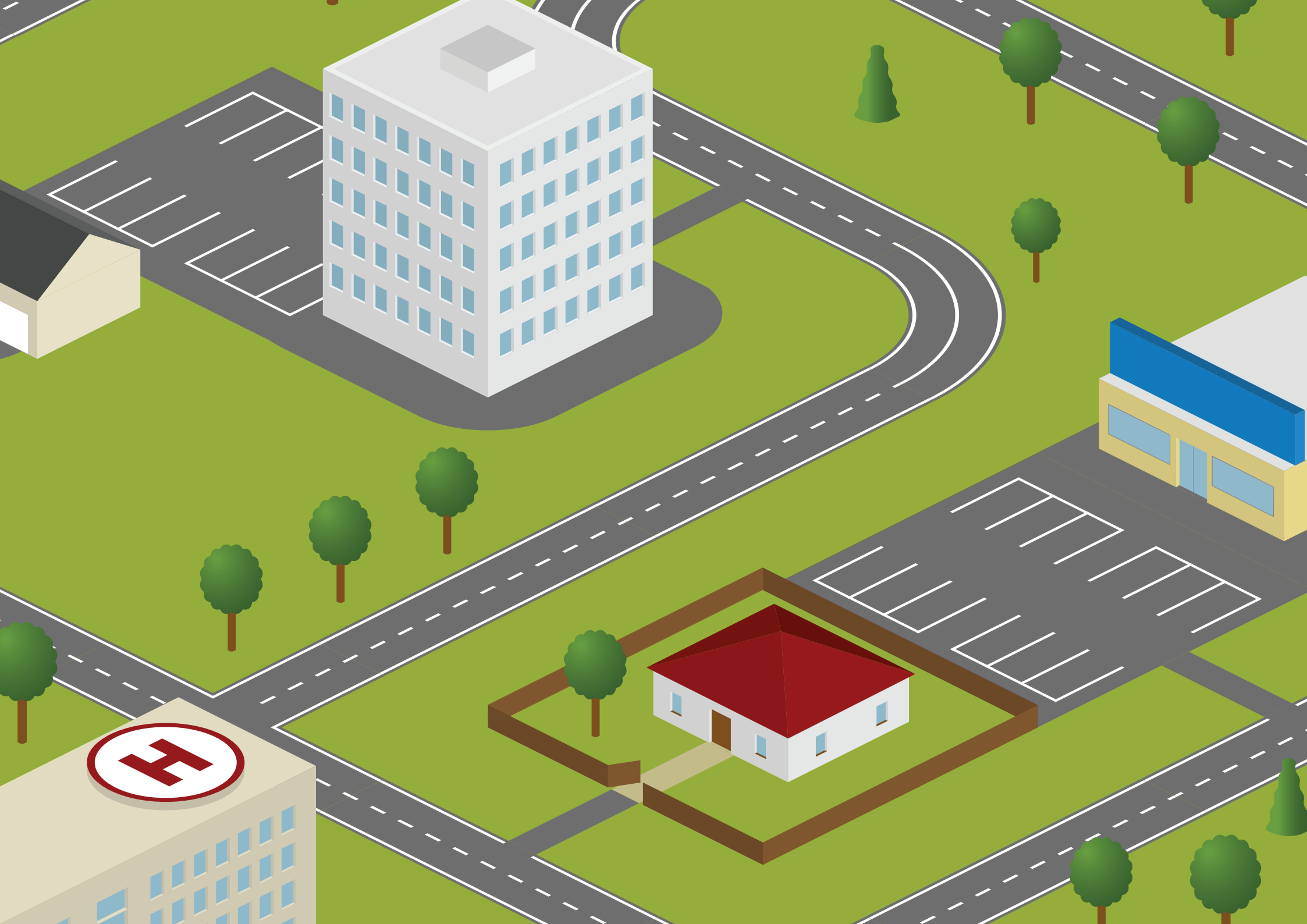




AUSTRALIA'S ROAD INFRASTRUCTURE IS IN CRISIS

(BUT FOR ONCE, THE SOLUTION ISN'T MORE MONEY)





An isometric illustration of a road network. A grey road with white dashed lines winds through a green landscape. In the top right, a white house with a red roof sits on a green lawn. In the bottom right, a white building with blue windows and two red-roofed structures are visible. A blue river flows along the bottom of the road. Several green trees of different shapes are scattered throughout the landscape. A white speech bubble with a black border is positioned in the center-right, containing text about Australia's road infrastructure.

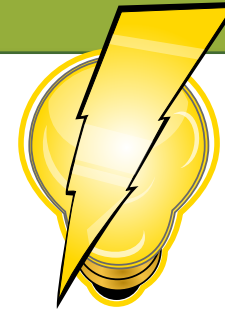
AUSTRALIA'S ROAD INFRASTRUCTURE IS IN CRISIS (BUT FOR ONCE, THE SOLUTION ISN'T MORE MONEY)

Australia has a road system of over 800,000 kilometres, worth over \$100 billion. A great deal of it is in poor condition and maintenance spending is slipping behind needs. This hurts road safety, national productivity and social connectedness.

The floods that have afflicted many parts of Australia in the past two years have highlighted the terrible condition of Australia's road network. Emergency flood relief funds will expend many hundreds of millions to restore the roads and bridges afflicted by floods. But is this efficient, every time Australia has a flood? Where is the long-term solution?

The answer is not about more money. It is about structural reform of Australia's roads system.

**TO UNDERSTAND HOW BADLY
AUSTRALIA MANAGES AND FUND
ROADS, COMPARE IT TO OUR
ELECTRICITY INFRASTRUCTURE...**



Imagine if Australia's electricity infrastructure – all the power stations, sub-stations and transmissions lines – enjoyed no central asset planning or analysis and no targeted, timely maintenance reporting. Imagine if nobody in an electricity company's head office – whether public or private sector – took any interest in monitoring the physical condition of our electricity grids.

Imagine if Australia left this whole electricity infrastructure management and investment task to around 550 separate local governments, 8 state and territory governments and a federal government, with no central coordination. Imagine if the federal and state governments just handed out little bags of money to the local governments based on their respective populations and the length of electricity cables that they controlled – expecting them all to 'do their best' in maintaining the assets. Imagine if local ratepayers were forced to find any remaining shortfall for their region's electricity maintenance – no matter how large or interconnected it might be.

Imagine if you lived in a cash-strapped rural local government with few ratepayers and no way to raise further revenue but with lots of historical electricity infrastructure to manage.

How long do you think your lights would stay on for?

This might sound like a terrible joke, but it is **exactly** the way Australia's road 'system' is managed and funded in 21st century Australia. We wouldn't put up with this mess for electricity, so why does a first world country like Australia suffer it for road infrastructure? Fixing this calls for structural reform. It is not about money.



THERE IS NO CENTRAL REPORTING OR ASSESSMENT OF AUSTRALIA'S ROAD CONDITIONS AND COSTS

Australia's roads are not subject to any national asset reporting and analysis. Funding does not flow on the basis of the road infrastructure's underlying needs. The importance of a road or bridge to the local and national economy or its underlying safety levels are not considered in allocating funding: after all, road safety and productivity considerations can't be assessed when there is no information available.

This 'system' isn't working. In local roads alone, our detailed economic analysis suggests this has created an annual national funding gap in local roads of \$2.8 billion per year – that represents the annual amount of funds missing, compared to the real amount required to keep local roads maintained to current condition. Put simply, our road infrastructure is degrading rapidly and we have no solutions to fixing it. As our population ages and taxpayer funds become scarcer, the problem will get worse. Policy inaction now will cost future generations dearly. We might soon live in a world where all have internet, but some don't even have passable roads, and where our export competitiveness dwindles through increasingly aged and inefficient road infrastructure. We need national resolve to fix the system.

A \$100 BILLION PIECE OF ESSENTIAL TAXPAYER INFRASTRUCTURE THAT NOBODY MANAGES!

In an engineering sense, nobody can tell you *anything* about the basic condition and cost pressures facing the roads in Australia, or which regions face the worst road challenges, or where funds invested would do most for safety and regional productivity. If you don't believe this, ask our federal transport department or National Transport Commission for information on the actual local road network and its condition; you'll be waiting a long time for the answers, because nobody receives this information nationally and nobody ever asks for it. The problem is out of sight and out of mind. But this can be fixed - and money is not the answer.



THE SOLUTION – SIMPLE NATIONAL ROAD ASSET REPORTING AND ANALYSIS, LINKED TO FUNDING REFORM

We believe all local, state and federal governments should make a mandatory report to an independent national roads body that sets out the basic condition and cost pressures facing roads every year. This information is already available internally in the engineering departments of most local governments, but to date, it has gone nowhere and informed nothing, so local governments in particular have been forced to struggle along with their road problems as best they can. National road asset reports would fix that. They would not need to be fancy or costly – just a short, simple and consistent summary of an area's underlying road condition and cost pressures. There are already world-class road asset management and reporting systems and training available to local governments.

Publication on the internet would allow all Australians to see how our roads 'shaped up' and over time, it would tell us how well our politicians were doing at addressing real road problems. Some blame our politicians for roads, but at the moment, nobody – not even Australia's roads ministers – has any useful information on the true state of the roads. So why do we blame politicians for something they can't control? The roads situation is 'out of control' in a real sense.



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In 2011 Infrastructure Australia endorsed our approach in its annual report to the Council of Australian Governments, *Communicating the Imperative for Action*. It called on the Prime Minister and Premiers to install a national reporting system and a national road portfolio manager to analyse and report on the nation's road condition and cost pressures. Now we want to see action.

From this reform, a national picture would soon emerge on the actual condition and cost pressures facing Australian roads. Work could begin to target existing money better to highest-priority productivity and safety projects. Any new funding would have clearer justification, rather than being labelled another 'pork-barrel'. Over time, a national and independent road portfolio manager could monitor and report on how well governments were spending their road funds.

National reporting and management will allow the community to have more confidence that precious taxpayer funds are going to the most important roads first.

An isometric illustration of a suburban landscape. In the top left, a white house with a red roof sits on a green lawn. A grey road with white dashed lines runs horizontally across the middle. To the right, a blue river flows alongside a concrete wall. In the bottom left, another house is visible near a road intersection. The background features more greenery and trees. A white speech bubble with a black border is positioned in the center, containing text.

WHO WANTS TO FIX THIS PROBLEM ONCE AND FOR ALL?

A national scheme does not mean a Canberra 'takeover'. It could be independent of state and federal governments. It will need all three levels of government working together in good faith to achieve success. Road asset reporting would fulfil an essential 'contract' between taxpayers and their governments: at present, nobody knows where their money goes in road spending, or how well it is spent, so everybody is cynical about political spending on roads.

Fixing Australia's roads is a project of national significance that doesn't have to cost money. The key change is a structural one. Who will have the courage to make that reform and stop our roads from being the funding and maintenance mess that they are today? All of our governments and oppositions should have a clear policy position on this issue.

Much of Australia's future productivity, safety and amenity relies on this reform. Please support it by joining with the ARRG in asking COAG to agree a mandatory *National Road Asset Reporting Scheme* and an independent *National Road Portfolio Manager* to allow Australia to reform road planning and funding for the better.

A day in the life of rural roads without national road reporting:



SAFETY SUFFERS WHEN NOTHING IS PLANNED:

Too many tragic accidents continue to occur at country road intersections, despite Monash University Accident Research Centre analysis having found that roundabouts at country intersections can reduce casualty crash risks at intersections by 70-80%. A national road asset picture could identify and prioritise such safety upgrades.



PRIVATE INVESTMENT IN ROADS DOESN'T HAPPEN:

Trillions of dollars lie in private infrastructure investment funds globally and a lot of road freight networks could become even more productive in future through immediate upgrade to better roads for better freight vehicles, but potential private investment in these roads is impossible because nobody knows what the underlying road condition is, or what it would cost to upgrade these roads and charge a fair amount for these improvements. As a result, there is no opportunity for private investors. These roads just receive the same small 'drip feed' of scarce taxpayer funds - and our freight task gets no more efficient.



OLD ROADS + MODERN VEHICLES DOESN'T WORK:

Australia has 21st century road freight vehicles but in many places, only a 1950s road network. This costs the economy because poor roads make freight costs much higher. A 2006 ALTA study submitted to the Productivity Commission revealed that a 10% reduction in truck weights that resulted from the poor condition of roads was having the effect of increasing the final price of export meat products in NSW by 12%. National reporting can start to expose correlations between our most vital freight routes and obsolete road infrastructure.



COMMUNITIES ARE ISOLATED: Poor weatherproofing of key access roads means that floods and even heavy rain episodes can isolate remote communities and their commodity exports for weeks on end. This can affect indigenous communities in particular. The situation repeats itself every year because there is no national reporting scheme that would allow for key access roads to receive better long-term weatherproofing.



EDUCATION SUFFERS WHEN SCHOOLCHILDREN CAN'T MAKE IT TO CLASS: In some cases, rural schoolbuses will take children home to their farms early and the school in effect shuts when there is a downpour, as nobody wants to risk stranding these children from their families on impassable roads. National reporting would start to build a picture of our most isolation-prone communities.



FOOD SECURITY SUFFERS: Floods and cyclones mean key industries like tropical fruits can be cut off from markets for weeks as roads need to dry out before they can be passable, creating higher prices. A plan to weatherproof Australia's most strategic freight corridors would help, but it is impossible without a central picture of what the road condition is nationwide, and which areas are most in need of all-weather upgrades.



OUR RAIL NETWORKS SUFFER WHEN OUR ROADS SUFFER: Grain transport by rail relies on receiving grain at the rail head from trucks. But in many cases, grain consignors are forced to pay train cancellation penalties because the truck with its load of grain remains stuck on an impassable wet road. The lack of central and transparent road asset cost and condition reporting makes it impossible to develop a strategic road freight network to service railways. In turn, our railways become less cost-effective and our grain becomes more expensive to transport and less competitive on world markets.



A CITY-COUNTRY DIVIDE GROWS: Without a clear road asset picture, both city and country road users can become cynical about the amounts of money spent on respective parts of the road network. A transparent and consistent view on cost and condition of all roads would allow for a more balanced and fair-minded debate on road funding and would equip our politicians to do a better job of fixing the real problems.

The Australian Rural Roads Group is a non-partisan alliance of over 150 local governments in Australia concerned about the lack of planning and management of our road infrastructure and tired of the lost productivity and lost and damaged lives that result.

To learn more, visit our website **www.austwideruralroadsgroup.com** and download our leading policy reform papers in this area, or read Infrastructure Australia's views on national road portfolio reporting and management (pp. 55-56) at **http://www.infrastructureaustralia.gov.au/2011_coag/**



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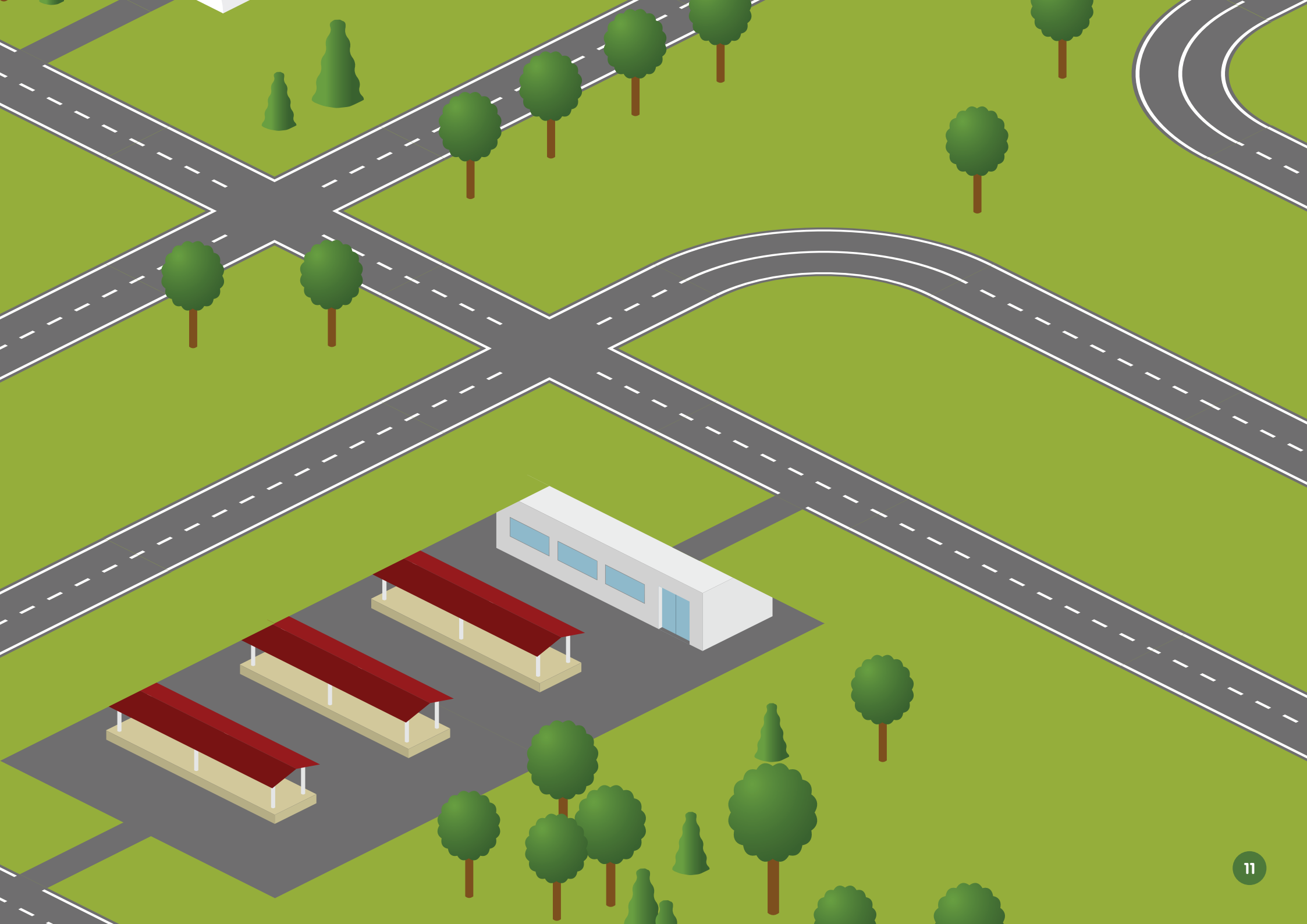


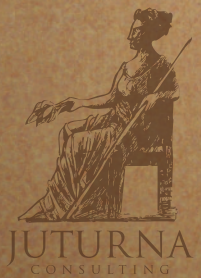
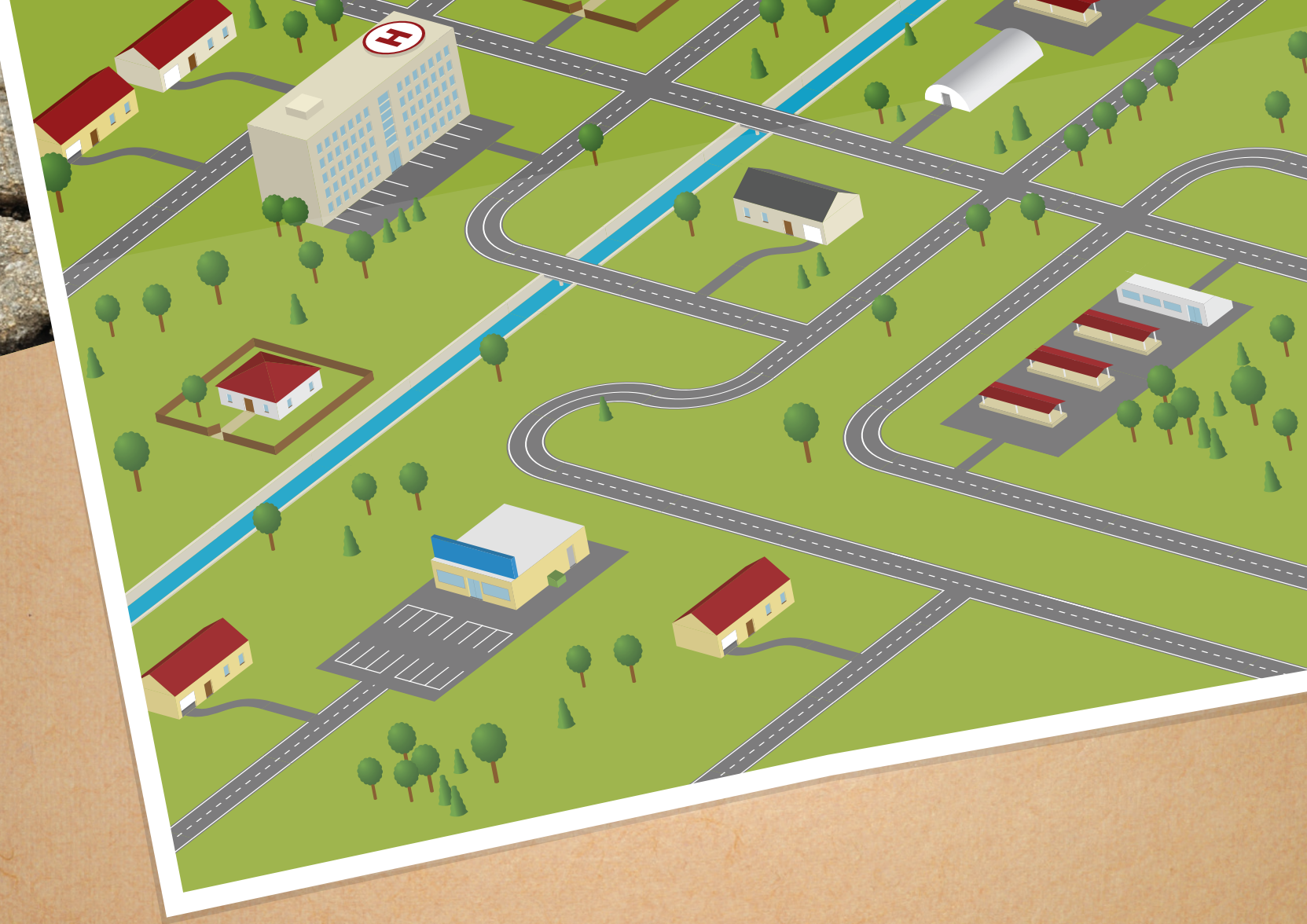
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