

ROAD SAFETY COMMITTEE

Inquiry into federal-state road funding arrangements

Canberra — 17 March 2010

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Mr L. McIntosh, president, Australasian College of Road Safety.

The CHAIR — The Road Safety Committee welcomes Mr Lauchlan McIntosh, president, Australasian College of Road Safety, to this hearing of the Road Safety Committee. Thank you very much for being here to assist the committee's inquiry into federal-state road funding arrangements. As you can see, we are recording the proceedings, and you will get a transcript of the proceedings and you will be able to make corrections as you see fit. Could you start by introducing yourself and proceed with your presentation? If it is okay, we will ask questions as we go.

Mr McINTOSH — I am Lauchlan McIntosh. I am the president of the Australasian College of Road Safety. As you know, I am also chairman of ANCAP. Thank you for the opportunity to present to this inquiry. I think we recognise that the inquiry is really one to look at the nature of road funding. From the college of road safety's point of view we have a strong belief that any road funding, no matter where it is and how it is done, should embrace the same system of principles and should recognise that we should not be building roads that are not safe or that have not recognised the new design principles that come with safe roads.

The national road safety strategy clearly demonstrates that about half the road fatalities that occur at the moment occur because the roads are not of the best quality or in terms of safety. I think too often we set aside the safety aspect in the funding equation. I have provided to you as an indication of our interest in this area a submission we gave to Infrastructure Australia in October 2008. That summary was really for infrastructure. We recommended that they should form a partnership with us, and we recommended the identification and upgrading of unsafe road links as a part of the activity. I think that is probably their view to read and consider. We would recommend the identification and upgrading of those unsafe road links in the national network through a safety focus with evidence-based results to do that, perhaps more so than even considering it as, if you like, a cost-effective BCR cost ratio.

We know from a lot of work that you can invest in safety and make a huge difference in the road network. The college suggests that any road funding recommended, wherever it be, be conditional on the basis of a project delivery being subject to world best practice safety standards within that safe system's methodology. We recognise that there is a range of new technologies coming into the market that do not often fit into road funding. People often see road funding as concrete: 'Let's build some more roads!'. We do not necessarily have to build more roads; we can fix up a lot of roads. We can use technology to do that. There is a raft of things, even in rail crossings. We are making smarter rail crossings. We can have vehicle-to-infrastructure communications on speed limits, but it should not be seen that the road itself alone or the building of the pavement is the whole activity. It is the system that is really important.

We are aware, and I am sure you are, of the AusRAP star rating system for roads, which really is about using a predictive assessment so that we do not have to wait for someone to die on the road, and we can predict using good information from past road design and past road activities where we can improve the existing road network to reduce the fatalities. It is bigger than the black spot program, which has been very valuable, but when you look at road links overall, as AusRAP does, we can see that upgrading the road overall can make a huge difference. We can save a lot of lives and injury.

All I am asking for in your report is that you recognise that we should make road design a national transport priority. It should be integrated into the road funding equation and not left as an adjunct at the bottom end. I understand distribution of funds is an important issue, but equally the whole tenor of road funding should be based on building safer roads and fixing up existing roads and not just making it maintenance expenditure, using a safety focus that is strong and evidence based. If we did that we would all be better off in the community. That is probably all I need to say.

Mr WELLER — You mentioned smarter rail crossings. What do you call a smarter rail crossing.

Mr McINTOSH — I think there is a raft of work being done at the moment to provide information to drivers on the crossing that is coming up through wireless networks or a raft of better signalling, both to the train driver and to the road user. That work is under way, I understand, in a big task force going on between the road authorities at the moment. I guess we see that as integral to the road funding equation. It is no good having a road that has dangerous bits in it. We use the technology which comes out of the technology pocket, if you like, and the roads, which is a different pocket — and the rail is another pocket — and all of those should be put together in that process.

Mr WELLER — That will be a cost to put the infrastructure there so they can talk to each other.

Mr McINTOSH — Sure, but a lot of those things are sort of almost happening. I have been an advocate for a lot of IT and intelligent transport stuff for a long time. Many of the things we predicted 10 or 15 years ago are happening now. The sooner we start on trialling and testing some of these things the better; in 10 or 15 years they will become standard. The car will have that device in it as a normal feature, but we have to make sure that it has the right frequency and the right message is going to it, and we have to have the same one across Australia. We do not want to have a different one in New South Wales to what you have in Western Australia. We should run some projects. I think you have recommended it and your committee previously held demonstration projects with ITS; they are the sorts of things that really will make a difference.

The CHAIR — We had a couple of representations yesterday, both from the New South Wales Local Government Grants Commission and the Queensland Local Government Grants Commission. They indicated that certain amounts of money have been given to local government to spend on their roads, but they are not sure whether those moneys are spent on their roads because it goes into consolidated revenue. What would you say about that?

Mr McINTOSH — I imagine that it is always possible. I think that is why I would say you should set some base standards so that if you are going to give people money for roads you should say, 'It should be a 4-star road that you are building, and we want to see the results of that at the end of it' and 'If you are going to maintain a road, we want you to lift the maintenance level to make it a 4 or a 5-star road'. You set some conditions on that by handing money unconditionally to jurisdictions, or to local government or whoever. People always tend to put it in one pocket and maybe keep it there or spend it on something else. I think there are issues in the whole road funding equation — I guess mainly from perhaps anecdotal evidence — that suggest that the cost of building safer roads is often confused in the maintenance equation, and it is not necessarily spelt out clearly enough. I think the use of AusRAP ratings, if you like, is a bit like ANCAP ratings: you can then measure what has been achieved. The question is how much does it cost per kilometre of road if it is built by local government, if it is built by state government or if it is built by federal government? There probably is a question in your inquiry that you will probably drill down to. The question then is if there is a difference in the road built by the local government, the state government and the federal government — in the relative cost — what is the relative safety of those links? If it is cheaper in one, has safety been ignored, or has some other factor been ignored, or are their contractors' costs different? Do contractors charge differently from governments. There is a raft of those questions. From my point of view the question is if it does cost less in one, has safety been ignored? We would be disappointed if that was the case.

Mr TREZISE — It came as a surprise to me that the states do not tie the money, that when providing the money to a council they do not actually tie it by saying, 'You must spend it on your road maintenance'. I do not know whether this is a question or a statement, but I am interested in your comment. But it therefore it explains to me that you can go from region to region within states and see a fluctuation in the quality of road. In some areas you will find the roads are of reasonable quality, and in other regions you will drive in and it is obviously a different level altogether. To me, having delved into this inquiry over the last couple of months, that would explain to some degree the fact that some councils, for example, have a different priority than others in relation to road maintenance and the next step up, which would be road safety.

Mr McINTOSH — Again, perhaps as an anecdotal comment, there are different levels of skills and different levels of expertise. Because of the nature of their business some councils have extensive road networks and others do not. Some would have very good engineering services, and others would not have as much. The question then is: should the road funding agency — whoever that may be; commonwealth or state or whatever — provide some assistance to ensure that the quality of the spend is there. I think certainly in the road safety arena we see that the college is actually trying to work with the local government association to encourage better information to the road safety professionals in there. I guess the same thing would go for the road engineer. It is, again, just spending the money on the concrete or saying they need to spend this money on what you want as an outcome and building safety into that outcome. It should be a benefit and people should see it as that. But equally not everybody is capable of doing that, not from any malicious arrangement. It is just the way that different sized organisations are.

Mr KOCH — I think we have got to be very careful making sure that those funds are tied. Firstly, it differs greatly between municipalities, whether it be regional or provincial from the point of view of the amount of

road networks they have got and the usage those same things are getting. I have to say that hearing from the grants commission bodies yesterday I was somewhat surprised that there is not a spot audit, for instance, to see where some of these funds are going. I would suggest to the college that there would have to be a lot of work done to change the current formulas being used to actually produce what you raise here today. Has the college given that consideration and gone down that path at this stage?

Mr McINTOSH — No, the college is a very small organisation, and we have very limited resources. We run it with a part-time secretariat and a lot of goodwill from 300 or 400 members. I think there is a view that we should be setting aside some funds in the grants, if you like — —

Mr KOCH — A percentage of?

Mr McINTOSH — For either education or for specific projects on better road infrastructure technologies or on trying implement the best practice in there. Austroads does a lot of that; that is what its activity is, and I think it does it fairly well. It would be nice to think we could do that, but it is a matter of who has got the funds to do it. Small organisations like the college could help, with a bit of funding and a bit of research. Because we are so well connected to so many different people, from engineers to doctors and police, we could add a value that we are not doing at the moment. We have to work out how we can demonstrate to a funding agency that we could provide that.

Mr KOCH — I quite agree, and I think the college would make a good advocate for that — I make no error in saying it — but I think the reality is it would require a far greater funding stream than is presently available. I think what concerns this committee to a degree is how we lift the opportunity through funding opportunities, be it to the grants commission or be it to wherever, to get better outcomes, because there is certainly not an excessive amount of money being tipped into particularly local roads at local government level at this stage to try and pull the argument in the direction that you have carefully crafted here for us today.

Mr McINTOSH — It is interesting that only about a month ago we had a delegation from the People's Republic of China ask the college for a briefing on safer roads and safer road design. They were from Hunan province and they were very interested in what we knew about the safety of regional roads — what we could tell them about rural and regional roads and what were the features. As they left they then gave us a couple of presentations on the latest highways they have built: six lanes in two directions for a couple of hundred kilometres.

The CHAIR — They have certainly got the manpower to do it.

Mr McINTOSH — We were a bit taken aback. They made some beautiful six-lane highways, but they were still puzzled about how to fix the regional and rural roads. Some of the things that we have been doing in AusRAP have now turned around into IRAP — the international road assessment program. We are going out and rating roads in developing countries. What you are talking about is really important. We are seeing that getting that information to people about what small things you can do for your money that really make a difference — adding wire rope barriers, separating the traffic, putting the right sort of white lines down in the right sorts of places. Lots of small things make a difference that you do not have to spend hundreds of millions of dollars on.

The question in road funding generally is where do you get your best benefit from? It is not just happening in Australia. There is a program in the UK called making safe road design a transport priority. In the UK we have been doing roads since the Roman times. They are still in the same space of trying to improve the relative safety of the road network by doing similar sorts of things.

There are clearly identified benefits — low cost, simple and easy to do — which we should be including in the funding equation, but we have to educate people about what they are. People have to understand and councillors in the regional areas have to know those things, so there are huge benefits in the educational activities. The college is in that space. We are underresourced, but we are working hard to do what we can.

Mr WELLER — In your submission you said there was a worldwide movement to start putting 10 per cent of road funding into safety. Is 10 per cent enough? What is your view on that figure?

Mr McIntOSH — It probably depends on the location. There was some work done I think 10 or 15 years ago by the World Bank that showed that 10 per cent of the aid money going into roads for safety work would make a very significant difference. That was resurrected just recently and it is being discussed now by world development banks. Last October or November all the development banks agreed on a common approach for focusing on road safety in the aid programs. That was before the Moscow summit on road safety last year.

This month the United Nations has agreed on a decade of action on road safety, a program to expand across the world. There have been some very large grants put forward. The Bloomberg foundation has put up, I think, \$125 million to help, and a lot of that will go to safer roads. Whether 10 per cent is the right number specifically is probably hard to prove, but on a general basis, if you have made that focus, you would get a very good result. Again it depends where it is, but some engineers would argue they already build in the safety now. I would argue that it would be better to set aside the 10 per cent up-front rather than wait until you kill people and decide where you are going to spend it on black spots afterwards.

The CHAIR — In relation to public-private partnerships, what role do you think that could play going forward in terms of building road infrastructure?

Mr McIntOSH — I think there have been, in some of the public-private partnerships, very specific conditions set for certain safety features on those toll roads, if you like, where they exist. There is no reason why it should not be advanced in all public-private partnerships that the funder or the partners should agree on some safety standards. You should agree to either make a 4-star or a 5-star road. In effect it is just like the conditions of any contract; you need to do it up-front.

The CHAIR — For the private roads you are aware of at the moment, what star rating would you give them?

Mr McIntOSH — We have not rated them because they are urban roads. AusRAP has only done the urban roads. I do not do that any more, but my feeling is that they would certainly be in the 4 and 5-star range generally. We have not really done the assessment and you have got to be really careful about making guesses about things.

That means the roads are well protected and there are plenty of barriers. Very simple things make a difference. We often do not see the simple things when we drive along road such as barriers, good line markings, no entries, cutting off access and making sure that people can access safely, splitting the traffic and stopping bicycles from being mixed in with trucks. Those sorts of things makes a big difference.

The CHAIR — Do you think that is because of the public liability issues that may arise as a result of the collision on their road?

Mr McIntOSH — Maybe, or maybe because there is a serious discussion between the partners about what the outcome is going to be. The outcome may well be the public liability, but public liability exists for us all anyway. We, the community, pay for the untold injuries and deaths that occur on the roads anyway.

Mr WELLER — Your submission talks about a cost of \$24 billion to eliminate 2-star roads. Have the governments in Australia got any targets on moving towards that?

Mr McIntOSH — No, we have not had a response from Infrastructure Australia to our submission. I see that the *State of Australian Cities 2010* report by the major cities unit of Infrastructure Australia, which was released recently, makes no mention of road safety, or makes a very minor mention of traffic safety in one section. The Infrastructure Australia guidelines that have come out hardly mentioned road safety, so the answer is no.

Mr WELLER — The answer is no, so what time frame would you like to see from Australasia?

Mr McIntOSH — I do not think we expect that funds are going to fall from the sky tomorrow to fix all these things, but there are a lot of little things that could be done. Within this decade we should have a situation where, certainly at the end of the decade, we should only have a national highway that is 4-star at least, and we should have a large proportion that is 5-star. Then certainly for rural and regional roads we should not be building anything in 10 years time that is less than 4-stars today, and by then we will have found some other

technologies or other things that will move the agenda ahead. We do not want to be stuck saying that what is safe today will be safe in 10 years time. We need to have an agenda that moves us forward.

We ought to have the zero vision that says why would people die? Volvo is now saying that by 2020 no-one in a Volvo car will die in a standard situation. Whether that is true, untrue or whatever, at least it is prepared to stand and make the statement. Why should road authorities not make the same statement? Why should we not say that by 2020 no-one will be dying on Australian roads? We will have worked out either a change in the traffic management or a change in the way that we build the roads, so that will be an exception rather than the rule. At the moment we accept, for some reason or other, that it is okay for 1500 people to die and 30 000 people to be seriously injured. It is not acceptable. If you listen to talkback radio, people somehow or other believe that is an acceptable risk until they are personally involved and then they have a different view.

Mr TILLEY — That probably leads me to talk about creating safer roads and the need to have emphasis on making safer roads. Particularly when speaking about the heavy vehicle fleet, do you see a place where innovation in relation to the damage from our heavy vehicle fleet industry, which is wanting to increase axle loads on our roads and the pavement damage that subsequently creates, will have an effect? Where do you see the role of innovation and design? Is it at the manufacturers' gates where we are getting heavy vehicles of a particular type and design when there are other options available to us in Australia, going back to basics perhaps, particularly with suspension? Queensland's Department of Main Roads has done some research recently in relation to suspension and savings on pavement damage. Do you see a role for that?

Mr McINTOSH — Sure, we have done a lot of work and Australia has done a lot of work on that whole issue of suspension. I am a bit out of date with it, but certainly I saw a lot of that work and as a result we have much larger trucks on the roads with lower pavement damage. The issue then is we do not know enough about what those larger vehicles and the smaller vehicles do in terms of their interaction on the road.

I see in Victoria there is a debate about lanes in tunnels and those sorts of things, but equally we need technology and it will help us in all those things. The question is how do we get them all to merge simultaneously without frightening everyone and without unnecessary safety risks? There is no doubt that we have learnt a lot about suspension and the trucking industry has done a pretty good job in that space. There are other issues of larger and smaller traffic that have to be addressed. We have to have that conversation in a pretty open way.

Mr KOCH — I still think, to achieve what the college seeks to achieve, there is a greater dependence on raising more finance over and above what is there at the minute, which we know is minimal for the work it is doing. Does the college see alternative means that should be given consideration, particularly on a federal level, to make greater funding available to the states? It may be from the point of view of tying a small percentage of GST return to states, particularly to roads, which should be tied not untied — and I think that has been raised by you already — but there may be other alternatives that the college has had a look at. If it has, would you share some of your thoughts in relation to gaining better funding opportunities, again, to get these star ratings up on our roads, particularly our national highways?

Mr McINTOSH — You are right, it is a very complex set of issues. The college probably does not have specific expertise in looking at how the money is actually distributed: whether it should be a proportion of GST, or whether it should be part of the fixed grants.

Mr KOCH — Sorry. I thought I would just throw that up as an example.

Mr McINTOSH — No; or whether it should be a fixed percentage. I think we would say that there are simple engineering solutions which are often not considered in the road funding equation for improving the outcomes which are not necessarily measured in the normal road funding package. People say, 'Yes, you get \$20 billion for roads in this state', and \$10 billion here and so many billion there. It is difficult. Tying funds has a lot of problems, as you know. I am personally not a great advocate of too much tying of the funds, but I think by setting some objectives in the road funding equation you can say, 'We expect that we will use evidence-based results', such as AusRAP or other auditing arrangements, 'which say that we do expect to lift the standard when the roads are delivered'.

There has to be an expectation of a better performance in the funding agreement, so you are tying really an outcome to the money spent. Some people will do it for less money than others. You need to set up a bit of a

competition to encourage that. We found with AusRAP, when we did it — and, again, I am out of date with this; it was three or four years ago — that when we showed that only half the network was 3-stars, people looked at the maps and said, ‘Gee, that is not good enough for our particular area. We will do something to fix it’. The Australian transport commission has worked on that sort of basis in some of their reforms about showing some states performing better than others. Then you get a competition going, and you do not have to mandate how much money is spent, but everybody wants to have a 5-star result. That is what we are doing with ANCAP. Car manufacturers now want a 5-star result. You do not have to specify exactly how much money they are going to spend — it is up to them to work out how to best spend the money — but somehow you have to help people get to that position. Some people do not have the resources. Some local governments do not have the resources to get there.

Mr KOCH — I do not see ANCAP and motor cars and star ratings on roads is the same thing; I mean the different vehicles and the way they are marketed, for instance, from a marketing point of view.

Mr McINTOSH — If one state had all 5-star roads, there would be a lot of interest from other states in getting to 5-star roads.

Mr KOCH — Yes, I do not disagree. It is about how you get over the — —

Mr McINTOSH — Sure, and how you educate people about that. But there a lot of other simple things that we should be doing in some of those things to encourage that better outcome. As you say, some people spend a lot of money and do not get very far with it, or they do not spend the money on the road at all. You need to say, ‘If the money is allocated for roads, it should be allocated for safer roads’.

Mr KOCH — But some LGAs have not got the opportunity that others have due to their own terrains.

Mr McINTOSH — As part of the road funding arrangement you need to make sure that Austroads does have sufficient funds to educate, and the college is happy to help in that space.

Mr TILLEY — In relation to country and regional areas which have substantially unsealed roads, we can encourage growth by sealing these roads because we can move livestock on shorter routes and those sorts of things. Going down the path of putting — and we must — a strong emphasis on safety, we would find that in the future we are trying to seal some of these unsealed sections of roads which are important not only for tourism, business and a whole range of things? Do you think that it would decrease the possibility of some of these shires being able to seal those roads? I will give one example. In north-east Victoria there is 68 kilometres of unsealed road called the Benambra Road. It comes from Omeo, by and large, into Corryong. That is probably the quickest possible route from the calf sales or from Gippsland East over the Great Divide into north-east Victoria. It has been a 40 or 50-year dream to get that section of road sealed. What I am saying is that if we go down the path with the emphasis on safety, where we are trying to create 4-star roads, does the funding to possibly realise that dream outweigh — —

Mr McINTOSH — Again, you can take the evidence of what happens, and I have driven on that road so I know what you mean. But equally I was on a road just recently in the Snowy River shire where there was a cross-intersection. It was sealed, but there was a huge hazard there. You have to ask where is the best money spent? From talking with people, there was better money to be spent in the shire elsewhere. If there is evidence that says there are crashes on that road and people are using it and sealing would make a difference, then we should seal it. There may be other things you could do to make it a safer unsealed road for small amounts of money. There may be a couple of intersections on that road that do not have to be there. We grew up with intersections where people stopped on their horses and met the other person at the intersection. Today people just go straight through at 60 kilometres an hour or 100 kilometres an hour and run into each other. We do not have to have those cross-intersections any more. We can stagger them; we can put in a roundabout. You can do very simple things on roads that we have learnt from, and the traffic is different so we do things differently. You might make more truck-passing lanes on that dirt road so that people do not get stuck. That might be far more effective than sealing it. What you need is the evidence that shows what can be done and for the best money spent. We need to talk to the community about that as well.

Mr TILLEY — Yes. Thanks.

The CHAIR — Just one last one: would you have a rough estimate of what it would cost to bring, for example, Victoria up to 4 or even 5-star-rating roads?

Mr McIntOSH — No, I would not. I would be stepping right outside my authority, but that is a question you could ask the RACV, I would think, and I am sure it would have some ideas on that.

The CHAIR — If governments invest more in rail to get people off the roads, is that a sort of de facto investment into roads?

Mr McIntOSH — Sure. Any sort of change in the exposure rate has to make a difference. Again, it has to be based on good evidence and be cost effective. We have closed down a lot of railway lines because they were not efficient, allegedly. Were the right things put in place for that? Do people themselves want to travel on rail? Yes, they do, but they also want to travel on the roads. What is the balance? It is a tough question.

The CHAIR — What do you take into consideration when you give a rating to a certain state in terms of their roads? Do you say, 'The governments, both federal and state, have invested \$5 billion into their rail infrastructure, which would mean an X amount of cars going off the road'. Do you consider that to be a part of your assessment of the star rating?

Mr McIntOSH — It does not come in there. I think the evidence would suggest that on the east–west rail link across Australia that has been the case. A lot of trucks have come off the road because of the change in the network there, and that has made a difference and I suspect it is reflected in the exposure rate on those roads. Yes, certainly. If you can take some traffic off — be it people or freight — it has potentially an advantage.

The CHAIR — Thanks very much for your time.

Mr McIntOSH — Thank you very much. I appreciate the opportunity.

Witness withdrew.