



ARF SUMMIT PUTS ROAD PRICING ON THE AGENDA

The Australian Road Forum's 2007 National Summit has put the issue of road pricing firmly on the national agenda for public debate.

Road pricing in the context of congestion management, along with underfunding of road maintenance, skills shortages, the threat to road infrastructure posed by climate change, and the future of PPPs, were among the major issues discussed at the two-day Summit in Sydney in June.

Sponsored by Hyder Consulting and ARRB Group, the 2007 Summit attracted almost 150 CEOs and senior managements representatives from around Australia and overseas.

In welcoming delegates, Australian Road Forum President, Ray Fisher, outlined the policy areas on which the ARF Board had recently agreed to focus its attention.

These are:

- industry resource capacity
- maintaining the assets we have
- running roads on a business-like basis
- sustainable transport solutions
- congestion management, and as part of that road pricing, and
- safety.

"These are significant issues on which we believe we can make a contribution - either directly through advancing ideas or indirectly by creating opportunities for informed debate," Mr Fisher said.

"It would seem to me inevitable that we will manage road use in this country with some sort of price mechanism, as we do with every other public utility.

"The question is how. And in determining an answer, we have the benefit of learning from our colleagues overseas."

Mr Fisher pointed to the Productivity Commission's recent paper on road freight charging, which said developments in road pricing technology created the opportunity for more cost-reflective pricing which, combined with institutional changes to road link road



Jack Opiola, Keynote speaker at the Summit.

supply and demand, offered the potential for substantial efficiency gains.

"I don't think we can - or should - ignore these findings and the challenges," he said.

"But we need to embrace further research and discussion in the context of the broader debate on congestion management."

Road pricing: the international experience

The Summit's international keynote address, delivered by Jack Opiola, Principal with Booz Allen Hamilton in London, focussed squarely on congestion management and road pricing.

"Congestion is clogging our arteries, and causing untold amounts of lost time in our productivity equations," Mr Opiola said.

"And unless we can turn around and handle this situation, productivity and our economies will be in jeopardy."

Mr Opiola said taxes on cars, fuel and parking and subsidies for public transport had been tried around the world, but with varying degrees of success.

"I would contend the right model is road pricing," he said.

Mr Opiola referred to a number of road pricing systems currently used in the UK and Europe that were achieving success in managing congestion and shifting people back to public transport.

In Durham, in the UK, a one pound charge had achieved a 90 per cent suppression of traffic through the centre of town, while in London the implementation of vehicle access charging to the centre of the city had resulted in a 33 per cent reduction in car traffic and a 14 per cent increase in public transport usage.

In both the UK and the US, central governments were now working with their local counterparts to provide incentives to introduce congestion charging. In the UK, in particular, these incentives were closely linked to local improvements in public transport.

"In the UK, the discussion is not about building new roads but improving public transport," Mr Opiola said.

The key to winning the public over on road pricing was to package it as a solution with clear policy objectives and benefits.

"If you can show (the public) they're getting value for that charge, the money is staying in and improving the transport system - either the roads, the structures or the public transport - then I think you've got a chance of coming to a successful level of public acceptance," he said.

"Road pricing objectives have to be clear, easily understood, and don't waiver from them."

Minister critical of AusLink 2 caps

The Opening Address at the 2007 ARF Summit was delivered by NSW Roads Minister, Eric Roozendaal, who was critical of the Federal Government's decision under AusLink 2 to place caps on the pre-tender estimate of jointly funded projects.

"I don't think this Federal Government proposal sufficiently takes

into account the realities of the already overheated construction market and skills shortage," he said.

Mr Roozendaal also took a swipe at the Federal Government's distribution of roads funding out of fuel excise.

What does come back to NSW from the Commonwealth is directed at construction at the expense of maintenance," he said.

"It leaves the State Government making up the shortfall for having to reorder its priorities."

The impact of climate change

Hyder Consulting used the Summit to unveil a new modelling tool called Alcyone which provides a dramatic visualisation of the potential impact of sea level rises.

Susan Harris, Director Environment with Hyder Consulting, said the current rate of climate change had major implications for the Australian road industry, particularly in terms of pavement deterioration and the impact of sea level rise.

She used the Alcyone model to demonstrate the impact of several different rising sea level scenarios on road infrastructure in Sydney and NSW coastal cities.

Given current evidence and scientific thinking on the impact of climate change over the next century, Ms Harris said Australian road authorities should right now be factoring a one metre rise in sea levels, plus storm surge, into the road infrastructure design process.

If no actions are taken to slow down or reverse the current rate of environmental damage the picture for rising sea levels - and its wider implications - would be much worse.

Ms Harris also outlined a risk assessment strategy for 'future proofing' Australian roads, based on mapping the areas at risk; mitigating the risk through the use of new road building materials and relocatable structures; and adapting by relocating routes and low lying areas of towns and factoring sea level rises into land use planning.

Capacity planning under the microscope

The issue of skills shortages and capacity planning were discussed in a Summit panel session, with a number of industry representatives outlining the particular problems they faced.

BIS Shrapnel Senior Economist Adrian Hart set the stage for the discussion with an analysis predicting

strong levels of road activity, particularly in the public sector, over the next decade. However the question remained as to whether all this work could be done, with the uncertainties being capability and cost pressures.

The subsequent panel discussion underlined the need for a continued focus on training; taking advantage of the opportunities for sharing knowledge and expertise afforded by alliancing; recruitment from overseas and other sectors of the economy; and the importance of governments providing a longer planning and spending pipeline so the private sector can plan their resourcing with greater confidence.

A number of speakers welcomed the Queensland Government's initiative in developing a 10 year pipeline of projects in its South east Queensland

Infrastructure Planning Program.

PPPs here to stay

Ernst and Young partner, David Larocca, provided an illuminating overview on Public Private Partnerships (PPPs), based on a recently released report by E&Y called *The Road Ahead*.

Mr Larocca told delegates that while Sydney and Melbourne had to date been the main beneficiaries of PPPs, Queensland was now set to take the lead with projects in the pipeline.

He said valuable lessons had been learnt and adopted from Sydney's Cross City Tunnel project, and overall governments were getting positive outcomes from PPPs. However he predicted the scale of future 'mega projects' would necessitate further refining of the model.

ARRB AND QDMR SIGN HISTORIC AGREEMENT



The Australian Roads Forum 2007 National Summit provided the backdrop for the signing of a landmark agreement between ARF members the Queensland Department of Main Roads and ARRB Group.

The multi-million dollar agreement, the first of its kind in Australia, will see ARRB work closely with Main Roads to provide research expertise and share knowledge in areas such as road safety, pavements and materials, traffic engineering, asset management, transport and traffic management, and transport economics.

ARRB Managing Director, Gerard Waldron, and QDMR Director-General, Alan Tesch, took time out during the ARF Summit to sign the historic agreement.

Mr Tesch said he was delighted that Australia's busiest state road authority

was pairing with the nation's market leader in road research, consulting and technology.

"Major projects such as the Gateway Upgrade and the upgrade of the Ipswich Motorway will benefit from the additional knowledge and skills ARRB can provide," he said.

Mr Waldron said the agreement built on a long-standing and fruitful relationship between the two organisations.

"This agreement will add to the rich history ARRB and QDMR already have in successfully working together to build, maintain and manage Queensland's vast road network," he said.

ARRB's Queensland office will play a major role in co-ordinating delivery of the services covered by the agreement.

DR KEN MICHAEL AWARDED JOHN SHAW MEDAL FOR 2007

His Excellency Dr Ken Michael AC, Governor of Western Australia, is the 2007 recipient of the prestigious John Shaw Medal for services to the Australian road industry.

Dr Michael was presented with the Medal at a glittering awards dinner held in Sydney during the ARF National Summit. He was selected for the Award by a peer group of former winners.

Dr Michael completed a Bachelor of Engineering with First Class Honours in Civil Engineering in 1961, and started his career as a bridge design engineer with the Main Roads Department of WA.

After completing a PhD degree in engineering in London in 1968, he returned to Main Roads and expanded his experience into road design, construction and management.

In 1991, he was appointed Commissioner of Main Roads, a position he held for over six years, which extended the scope of his activities to the national and international arena, including his appointment as Australia's First Delegate to the Permanent International Association of Road Congresses (World Road Association).



Ray Fisher presents the Medal to Ken Michael

He was also a member of the West Australian Planning Commission, and concurrently held the position of Public Service Commissioner with that of Commissioner of Main Roads for just over a year from August 1993.

After retiring from the public service in 1997, Dr Michael undertook a number of consulting roles and government appointments, and in

January 2006 was sworn in as the 30th Governor of Western Australia.

Like to find out MORE about ARF?

- Visit our website – www.roads.org.au or
- Call the Executive Director, Ian Webb, on (03) 9821 5255.



Previous medalists congratulate Ken Michael



Mates - Messrs Doyle, Michael & Boyle.

NEW VICROADS CEO SHARES HIS VISION AT ARF LUNCH

Newly appointed VicRoads CEO, Gary Liddle, outlined his vision for the organisation at a recent industry lunch hosted by ARF.

Addressing a capacity audience of more than 140 industry representatives at the RACV Club in Melbourne in June, Mr Liddle said VicRoads was focussed on four key areas in its quest to be 'an excellent operator of the network'.

These areas were:

- congestion management;
- safety;
- managing the asset in an integrated way; and
- ensuring the integrity and security of people's data.

Mr Liddle said VicRoads was acutely aware of the need to respond to the changing needs of road users.

"Our vision is evolving - and I have put a structure in place that will help us achieve that," he said.

Among the initiatives to improve congestion, VicRoads was currently working with municipalities to develop network operating plans to better allocate the existing road infrastructure.

The organisation was also intent on making more use of Intelligent Transport Systems, such as the Freeway Management System as part of the M1 upgrade.

"Using ramp meters that 'talk' to each other and 'tell' each other what is happening across the whole network - not just at one ramp - we want to create a freeway pipeline of non-interrupted flowing traffic," Mr Liddle said.

In the area of safety, Mr Liddle said VicRoads was working to what he called a 'safe systems approach' focussed on users, cars, infrastructure and speed.

He cited the new graduated licensing system and the introduction of alcohol interlocks - designed to prevent cars being started until the driver can blow into the machine and register a legal alcohol reading - as evidence of the organisation's commitment to improving user safety.

VicRoads ongoing focus on the creation of safer infrastructure was already paying dividends, he said.

"Under Arrive Alive! and other safety programs we have really reduced the number of crashes at intersections and roadsides



The new CEO at VicRoads, Gary Liddle.

by putting in road treatments like barriers that stop people running into fixed objects at the side of the road.

"We have Blackspot program and Greyspot programs that have targeted and improved intersections where they are needed most."

Mr Liddle said the lowering of the speed limit to 50kmh was another successful initiative that had helped lower the number of Victorians injured on the State's roads.

"In fact, Victoria now has the lowest road toll in Australia," he said.

"The introduction of school speed zones has also reduced the number of crashes around schools."

Mr Liddle said that with the cost of road maintenance now growing at two to three times the rate of inflation, VicRoads was looking at smarter ways to manage the task - 'whether it's through more innovative contracting or delivery'.

"One change I have recently made is to set up a directorate that manages congestion and transport integration, new infrastructure and the integrated asset - again - so that we can remain focussed on outputs," he said.

In the area of data management, Mr Liddle said VicRoads was updating and refining its systems to ensure the integrity of the information it held. Second to police, VicRoads is the biggest source of identify data in Victoria.

"We are 100 per cent focussed on ensuring that going forward, people are confident that their data is safe," Mr Liddle said.

"But we need good data for another, critical reason - and that is that it helps us to make good decisions.

"For example, when we know where the congestion hotspots or crash sites are we can target the money we have very directly to fix the areas that are of most concern.

"It's a well planned, targetted and effective decision."



A packed room for Gary Liddle on 1 June.