



HOUSE OF REPRESENTATIVES

**STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT AND
MICROECONOMIC REFORM**

Reference: Review of federal road funding

BATHURST

Thursday, 3 April 1997

OFFICIAL HANSARD REPORT

CANBERRA

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT AND
MICROECONOMIC REFORM

Members:

Mr Vaile (Chair)

Mr Albanese	Mr Peter Morris
Mr Ross Cameron	Mr Neville
Mrs Crosio	Mr Randall
Mr Hardgrave	Mr Tanner
Mr Lindsay	Mr Wakelin
Mr McArthur	Mr Willis
Mr McDougall	

The Commonwealth, under its roads program, provides funds to the States and Territories for the National Highway and Roads of National Importance. The Committee is asked to:

1. Review the Commonwealth role in road funding and identify the most effective means of fulfilling that role;
2. Assess the adequacy and extent of the National Highway as currently declared in meeting the objective of providing a national road system that meets the needs of industry and the community;
3. Assess the level of funding required to adequately fulfil the Commonwealth role. This should take into account the current condition of the asset, depreciation and maintenance requirements, as well as new investment required to meet demand growth, changes in technology (especially increased weight limits for heavy vehicles) and community expectations of road standards;
4. Examine whether current administrative arrangements have an adequate performance focus, promote effective and efficient use of funds and adoption by States and Territories of best practice, and provide an effective Commonwealth/State interface; and
5. Assess the scope to supplement Government funding through innovative arrangements for private sector involvement in the provision and maintenance of roads infrastructure and the scope for pricing of road services to reflect full resource costs.

In undertaking this review the Committee is to take into account the National Commission of Audit principles of clarifying the roles and responsibilities of Governments with the overriding objective of improving the outcome to clients and achieving value for money for the taxpayer.

WITNESSES

BOLLINGER, Mrs Marjory Edna, Coordinator, Highway Safety Action Group for New South Wales Inc., Glenelga, Molong, New South Wales 2866	25
HOWARD, Mr Leslie Vincent, Managing Director, Howard Haulage Pty Ltd, New England Highway, Willow Tree, New South Wales 2339	16
MACINTOSH, Councillor Ian, Mayor of Bathurst and Bathurst City Council Delegate, Central West Region Organisation of Councils (CENTROC), c/- Bathurst City Council, PMB 17, Bathurst, New South Wales 2795	3
PERRAM, Mr Phillip, Director—Corporate Services, Bathurst City Council, and Delegate, Central West Regional Organisation of Councils (CENTROC), c/- Bathurst City Council, PMB 17, Bathurst, New South Wales 2795	3
WELSH, Councillor Paul, Deputy Mayor of Bathurst, and Chairman, Sydney Road Links Committee, c/- Bathurst City Council, PMB 17, Bathurst, New South Wales 2795	3

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT AND MICROECONOMIC REFORM

Inquiry into federal road funding

BATHURST

Thursday, 3 April 1997

Present

Mr Vaile (Chair)

Mr Lindsay

Mr McDougall

Mr McArthur

Mr Peter Morris

The committee met at 11.15 a.m.

Mr Vaile took the chair.

1

CHAIR—I declare open this public hearing of the House of Representatives Standing Committee on

Communications, Transport and Microeconomic Reform inquiry into federal road funding. This is the first public hearing in a series of hearings and inspections the committee will be conducting over the next few months. The committee will be holding another public hearing in Sydney tomorrow and, in the middle of this month, will undertake a sequence of hearings in Townsville, Mount Isa, Darwin, Halls Creek and Perth. At the end of the month, the committee will travel to Adelaide and Launceston and, in early May, will receive evidence from witnesses in Melbourne and Wodonga.

The federal road funding inquiry arose out of the National Commission of Audit recommendation that the Commonwealth's involvement in infrastructure be reviewed, and that there be an assessment of the extent to which the Commonwealth need be involved in road funding. The Minister for Transport and Regional Development, the Hon. John Sharp MP, subsequently requested that the committee inquire into federal road funding and report by 30 November this year. The committee has received a substantial number of submissions, amounting to almost 1,800 pages of evidence.

In conducting its hearings, the committee will be seeking evidence on five broad areas: the role of the Commonwealth in providing funding for roads; the adequacy or otherwise of the national highway system in meeting the needs of industry and the community; the level of funding required to adequately fulfil the Commonwealth role; the efficiency and effectiveness of current administrative arrangements; and the scope to involve the private sector in the provision and maintenance of the national road network. I should emphasise at this point that, in addressing these broad areas, the inquiry should not be seen as a forum for advocating the funding of specific road projects. The committee intends to consider the underlying principles for the funding of Australia's national road system well into the 21st century.

On behalf of the committee, I welcome everyone appearing before the committee today. Before proceeding, I should advise all witnesses that, although the committee does not require evidence to be given under oath, committee hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of parliament.

[11.17 a.m.]

MACINTOSH, Councillor Ian, Mayor of Bathurst and Bathurst City Council Delegate, Central West Region Organisation of Councils (CENTROC), c/- Bathurst City Council, PMB 17, Bathurst, New South Wales 2795

PERRAM, Mr Phillip, Director—Corporate Services, Bathurst City Council, and Delegate, Central West Regional Organisation of Councils (CENTROC), c/- Bathurst City Council, PMB 17, Bathurst, New South Wales 2795

WELSH, Councillor Paul, Deputy Mayor of Bathurst, and Chairman, Sydney Road Links Committee, c/- Bathurst City Council, PMB 17, Bathurst, New South Wales 2795

CHAIR—Gentlemen, welcome. Thank you very much for making your time available to the inquiry this morning. CENTROC has submitted a comprehensive submission to the inquiry, as have a number of other organisations in the area. The committee has called CENTROC, it being the peak body of local government for the Central West region. Councillor Macintosh, you have made a comprehensive submission. Would you like to make a brief opening statement to the committee before we enter into some questions?

Councillor Macintosh—Thank you, Mr Chairman. I have read carefully and listened to what you have said about the terms of reference, and we are delighted that you have chosen to come to the Central West for the first of your many hearings. I would like to deal with the broad issues relating to infrastructure. I believe that what we face in this part of Australia is absolutely unique, in the true sense of the word. We have a region which is arguably the most diverse and rich region, in terms of being a mining province and an agricultural, industrial and commercial area in close proximity to a major city—in this case, Australia's biggest city.

But there is no other major city in Australia that is as separated as Sydney is from such a rich and economically diverse region as the Central West. I do not have to go through it all; but, thinking about Brisbane, Melbourne, Adelaide, Perth and Hobart, there is either no immediate barrier to the regions inland from those cities or, if there is a barrier, there is a good road system already established. In any case, none of the regions adjacent to those cities have the economic potential that this region has; yet we have 100 kilometres of barrier.

It is disappointing to all of us in the west that you were not able to drive from Penrith to Lithgow today. I would assume that everybody on your committee at some stage will make that trip to verify what I am saying. It took about 40 men six months to build a road from Penrith to Lithgow in 1814—180-odd years ago—and that is the track that is still followed. When you drive from Bathurst to the tollgates on the expressway, at this stage there is an advisory sign—to do with how you should drive—on average every 320 metres.

Having said that, the next problem is that both the Blue Mountains and the Central West are expanding areas, and so there is an enormous urgency to address the problem of this road link, because the more the Blue Mountains expands—as it will, being a dormitory suburb for Sydney and a tourist area—the

more the area will be inconvenienced by through traffic; and the more the Central West grows, the more traffic will be generated. In rough and round terms, 1,000 trucks and buses per day are already running between here and the mountains, and the population of this area will go over 200,000 probably by the end of the century.

The state Minister for Development, Mr Egan, has recently said that he foresees some 150 new business developments in the state in the foreseeable future, providing 37,000 jobs. Presumably, one-quarter or one-third of that development would come to the Central West. Thus the potential for this small section of 100 kilometres of road, which is not very long, to work absolutely to the detriment of the national good and the national economy—to the detriment not just of us, or of Sydney, but of the whole national economy—becomes very real and very serious, and is something that demands national priority.

In safety terms, with all due respect to your electorate, Mr Chairman, the highway between here and Sydney, in terms of kilometres travelled, is more than twice as dangerous as the Pacific Highway. There are more than twice the number of accidents here than there are between Sydney and the Queensland border. So, it is demonstrably an extremely dangerous highway, despite the figures.

That is really the summary. I conclude my opening remarks by simply saying that I know that the federal government has recognised as a national highway the Newell Highway, which runs north and south through the state. Other roads are important to the region, in a broad sense. Of course, Bathurst is the funnel, but here the road splits and goes south-west through Cowra to the southern part of the state in the country, and north-west through Dubbo to take in part of the mining province of Cobar, Broken Hill and Queensland. Those two roads are important in a national infrastructure sense. The final one that is important is a connection between Canberra and the south, and the Hunter Valley and the north coast area, which is the road that comes up through Goulburn and through Orange, Bathurst or Mudgee and into the Hunter Valley.

Those roads are also all important because the other great economic benefit to the region is, and ought to be in the future, tourism. Sydney is still Australia's major tourism destination, yet the number of tourists coming out of Sydney to this region is minimal. They tend to go Surfers Paradise, Cairns, Ayers Rock and home. From the very fact that the minister, Mr Egan, came out here this morning and that you also have come here today by air and not by road, I am sure you will understand the problems in getting tourists out here on two-, five-, or seven-day package bus tours. Those would be my major points.

CHAIR—Thank you, Councillor Macintosh. As an opening question, the majority of your argument is premised on the economic development and benefit for the Central West region. Has CENTROC done any substantive analysis of the economic benefits that could flow from improving that particular piece of road infrastructure down the Great Western Highway? I accept what I take to be a criticism that we flew out here instead of driving out here; but bear in mind that, in my opening remarks, I highlighted that this inquiry is covering all of Australia and not just New South Wales, and that we have a very tight time frame in which to do that and to look at all aspects. Has CENTROC done such an analysis?

Councillor Macintosh—I would not really want the committee to think I was criticising them. I was perhaps expressing disappointment—because, as I have explained, these roads are important.

CHAIR—If I did not make that comment, they would criticise me afterwards for not defending them.

Councillor Welsh—Looking back at what CENTROC did in 1994, there were some 14,000 businesses located here, representing around 11 per cent of the state's production. We would envisage that, by improving the road, that would come up to around 15 to 17 per cent of the state's production. Looking at those sort of figures, you are talking about in excess of probably 20,000 businesses that would grow, should we do something with that road.

CHAIR—And that is covering the local government areas that CENTROC covers?

Councillor Welsh—Yes.

CHAIR—That is a fair proportion of central western New South Wales.

Councillor Macintosh—Mr Chairman, as you would know, one of the developments in recent times is significant mining activity. We have got two very major mines—amongst the biggest in Australia—close by at Blayney and at Parkes. Cobar, although it is a little outside the immediate region, works through this area, and Cobar's mining industry has been expanding. Of course, the other big mine that I suspect will eventually get off the ground is at Lake Cowal, out near Forbes. They are significant generators of traffic and business.

Mr McDOUGALL—Can I take your 14 per cent a bit further? When you say 14 per cent of the state's production, what do you include in that 14 per cent?

Councillor Welsh—Predominantly mining, as Councillor Macintosh has foreseen; and there is also the potential growth of the forest industry.

Mr McDOUGALL—Following on from that, in relation to forestry and mining, if they are the major part of that 14 per cent, what work has CENTROC done in relation to looking at, in infrastructure terms, a combination of road and rail as a means of carrying freight?

Councillor Macintosh—I would need to take that question on notice, because I do not have the answer at my fingertips. Has CENTROC commissioned a report?

Mr Perram—Perhaps I could comment. CENTROC has conducted a Central West transport study addressing both those issues, and that is certainly available to the committee should they require it.

CHAIR—Could the committee receive a copy of that?

Mr Perram—Certainly.

Councillor Macintosh—We are very conscious of rail's role, particularly because Bathurst is an old-established railway town. There is a freight container terminal at Blayney, and Bathurst City Council is in fact in the process of developing a multifunctional freight terminal here that will service both road and rail;

and so we are doing what we can. We are not ignoring rail and we are not expecting road to be the whole and complete answer. But, of course, even the railway system is now putting passengers in buses.

I would like to pick up on one other point that Deputy Mayor Welsh made, and that is that the forestry industry is also another significant industry that is growing. As you are well aware, CSR has just invested some hundreds of millions of dollars at Oberon, and there is a lot of activity to increase the production of forestry products.

Mr McARTHUR—You mentioned the 100 kilometres of very difficult roadway, plus the whole highway. Could you give us two ballpark figures for the capital cost of upgrading that 100 kilometres, which appears to be a problem to your group, and upgrading the whole highway between Bathurst and Sydney?

Mr Perram—The RTA would perhaps be the best ones to give those figures. The Sydney Road Links Committee, in conjunction with CENTROC, has made submissions to the federal government on an alternative route through the mountains; so the ballpark figure would be a combination potentially of the existing route plus alternative areas, and costings have not been done on that total area. But the roads authority would certainly be the best authority for that.

Mr McARTHUR—You must have a figure in mind. It is a pretty big project.

Mr Perram—In 1983, which is a considerable time ago now, the Sydney Road Links Committee itemised 13 sections of road which, at that time, would cost \$113 million; and so you could probably effectively double that figure now. The RTA has effected four of those projects now, and so I would say that it would be under \$200 million; but that is very much a ballpark figure.

Mr McARTHUR—What about the 100 kilometres that the mayor talked about?

Mr Perram—That is primarily those costs.

Councillor Macintosh—It is very difficult terrain, as I am sure you would understand, and there has been a lot of work done. One of the options, given current technology, may well be some tunnelling, which is common enough in many other parts of the world. There has been work done on the possibility of tunnelling through parts of the sandstone wall that we have got, but for precise costs you would need first to decide whether you were going to use concrete fly-overs or tunnels.

Mr McARTHUR—I would have thought your committee might have had a bit of a look at that, since you are putting the proposition forward.

Councillor Welsh—The committee has done so. In the seventies, when it was first proposed to the alternative route, when the BODC looked at it, it was in the vicinity of some \$350 million at that time. However, because of technology and knowledge of how to build things, from talking with the RTA at the time, the suspicion is that maybe that cost has not changed greatly. The committee has been led to believe that the tunnelling material is already here, so the initial outlay for the actual tunnelling equipment would not have to be made.

CHAIR—Further to that, I understand that Councillor Welsh is the Chairman of the Sydney Road Links Committee. With regard to that alternative route, you are saying that there are no clear costings. Has there been any work done on identifying an alternative route?

Councillor Welsh—The Sydney Road Links Committee itself has identified a route and it is now pursuing that. It is going to see what exactly it would cost. However, specifically looking at the alternative route has only been raised in the last two months.

Mr LINDSAY—Gentlemen, in relation to the committee assessing the adequacy of the national highway—and, in particular, I refer to the important link that you have referred to—talk to me about any safety issues that you might see on that link. Are there any problems with that?

Councillor Macintosh—Safety is, of course, a major issue. I can find the figures here quite quickly that I referred to earlier, and we are comparing this highway with the Pacific Highway, I must say. In our submission, we refer to the fact that the Great Western Highway is arguably the most dangerous road in New South Wales. Three per cent of the accidents on the Great Western Highway are fatal, whereas only one per cent of accidents in New South Wales generally are fatal. Nine per cent of accidents on the Great Western Highway cause casualties, whereas only three per cent on other roads in New South Wales cause casualties. We are talking about the strip from here to Penrith, of course. As I mentioned earlier, on a kilometres travelled basis, another comparison, the number of deaths and injuries per kilometre travelled for the Pacific Highway from Sydney to the Queensland border is 1.5, whilst the same figure on the Great Western Highway is 3.6—more than doubly dangerous, if you like to use that measure, as the Pacific Highway.

Mr McDOUGALL—I would like to return to the question of funding and bring in the question of private sector funding in relation to infrastructure in general. You mentioned that, of your 14 per cent of the state's production, the largest portion is mining and forestry. Potentially, in what I would assume to be tonnage and travel unit terms, that would be the biggest growth in freight road usage. On that basis, what do you see as the private sector's contribution in cost terms towards the construction of the infrastructure that they would need to operate—whether it be road, rail or a combination of both?

Councillor Macintosh—I would have to say that I am not sure that I have the ability or skills to answer that question. I guess that you are asking how much we are prepared to pay; and that perhaps comes down to whether there are some tollroads or something like that built across the mountains. I do not think it is something that CENTROC has really debated in detail, to be honest, that I can recall. I personally would think that, although we would not like it, if somebody were to build a four-lane expressway in the next two years from Lithgow to Sydney, we would be prepared to pay a toll for it. But I would think that a committee such as yours will finish up with a much better idea of the alternative ways of financing things. To go back 100 years, the way might be to give somebody some land in return for building a road, as they did with the railways.

I really want to reiterate that we need out here—and what Australia needs—particularly from the federal government, is some vision and some leadership. We are talking about infrastructure and economic development, and the picture I am trying to paint is that, as I think we have reasonably demonstrated to you, one way or another this potentially enormously productive region—and we may have an international air

freight terminal out at Parkes in the foreseeable future—with its forestry, tourism, mining and so forth, is sitting next to Australia's biggest city, which is busting at the seams. We need somebody to actually grab this thing and say, 'If they could build a road across there in six months 182 years ago, then we ought to be able to fix this problem today.'

Mr McDOUGALL—What I am leading to is that I get the impression you are making an assumption that all this growth is going to have to have a road. What has CENTROC done in relation to its negotiations with the mining industry and with the forestry industry in saying to them, 'What are the alternative means of transport in relation to what your development is going to need in regard to infrastructure?' and then balanced that off against saying, 'We are going to need certain infrastructure, maybe rail, here; we are going to need certain infrastructure, maybe road, here; we have a passenger car requirement'? Have you done the work to break that up so that you know and you can pass on what your real needs are in relation to infrastructure, rather than just saying, 'We need a road and that is going to be the panacea and solve all the problems'?

Councillor Macintosh—To be honest, first of all, the CENTROC that I know here is a forum for councils to raise issues of interest. We do not have the infrastructure, except through the member councils, to do the detailed research. There are plenty of other organisations that have done the research and have the figures.

In the submissions that have been made by the two organisations we are representing, I hope we have tried to show that, as you put it, it is just a road. The answer to getting this region to develop in the national good is very simple. It is 100 kilometres of road. There is the safety factor. In the last four years—I would want to correct this—as they take out some bends through the mountains they put in traffic lights. I think there have been four new sets of traffic lights go in in the last three or four years in the 50 or 60 kilometres between Lithgow and Penrith. That does not do anything for the local inhabitants who have these 1,000 trucks and buses a day going through that stop at the lights and accelerate away again.

With the Olympic Games in Sydney coming up, the tourism industry has enormous potential for us if we could get regular bus tours through the Central West. We could suddenly add another 100-odd buses a week through the same road, because it really is a funnel.

Mr PETER MORRIS—I would like to move to another area of our inquiry. Firstly, in respect of the road casualties you refer to, I am wondering whether the road casualties are solely the result of poor road alignment, rough edges and road surface, or how much it is a result of that and of driver behaviour—or is it also partly a result of driver fatigue and people not being aware of the road conditions? Your submission reads to me as if this is all simply the fault of the road.

Councillor Macintosh—The statistics there are based on total accidents. There is no separation of driver fatigue or—

Mr PETER MORRIS—There is no analysis. The other thing is that somebody has to come to the defence of the chairman. To compare the 884 kilometres of the Pacific Highway with 100 kilometres here, I think the chairman could pick out for you 100 kilometres of the Pacific Highway which would give you a totally different casualty rate than what comes up when you stretch it across 884 kilometres. Mr Chairman,

you have that capacity, do you not?

CHAIR—Yes.

Mr PETER MORRIS—I want to move on to an area back in your own bailiwick. You are 15 councils from an extremely important region of Australia. We are required to look at how we achieve better value for money in the maintenance and construction of roads. We are also required to look at the role of the Commonwealth in respect to road funding and road tasks. Has CENTROC given any consideration to whether the responsibility should be changed?

Should, for instance, the federal government get completely out of the road picture and just give the money en bloc to the states and let the states manage the allocations priorities? Should local government get out of it completely and give it back to the states? Should the money just be given directly from the federal government, by-pass the states, directly to local government organisations and let you look after local roads, and maybe even some arterial roads? Has any consideration been given to anything like that, or are you happy with the way things are?

Councillor Welsh—I spoke earlier of this. We actually spoke with the federal minister, John Sharp, in relation to that as to whether the Commonwealth government—

Mr PETER MORRIS—I did not hear that.

Councillor Welsh—This was outside of here—as to whether the Commonwealth should stay in there and give untied funds. That is what you are referring to—

Mr PETER MORRIS—I am just instancing things.

Councillor Welsh—One of the problems we see with that is that when the funding is given to the states it does not go where it should be going. We feel that the federal government should actually pinpoint and say, ‘This funding is in particular for this area and it must be spent here.’ What we are finding now is that that is not happening. As a local government—and I am sure I am speaking for the other councils—that is one of the major problems, that funding is not actually coming to where it should be.

Mr PETER MORRIS—Can you define that into classes of roads? I do not want to hold up proceedings because of time—

CHAIR—No, it is a very important issue.

Mr PETER MORRIS—Some of these questions you might like to come back to us in writing on when you have had a bit more of a chance to digest them and come back with a considered response. We are asked to review the Commonwealth’s role in road funding—that is the very first part of the terms of reference.

Mr Perram—The Sydney Road Link Committee’s opinion on that is that the highway through the

mountains to the Newell Highway from Sydney should obtain national highway status or significant—

Mr PETER MORRIS—That is but one road project in the whole context of Australia. Given that you are a major spender at local government level—you spend more money, on my recollection, on road construction and maintenance than the federal government does—

Mr Perram—Yes.

Mr PETER MORRIS—What work have you done as CENTROC or its constituent councils to say that the arrangement for responsibility could be better ordered than it is today? Have you done anything on that or have you got any ideas on that? If you have not, I do not want to catch you off guard. Give us a note later if you want to.

Councillor Macintosh—Expressing a CENTROC view, we would be much more comfortable if more money came directly.

Mr PETER MORRIS—No, I will just restate. What we are looking at is who should be doing what work. Is the existing arrangement okay—the level of responsibility? You look after local roads and streets. You get funding from your own sources, from the state government, and from the federal government: are those arrangements perfectly satisfactory or is there a better way of doing all that?

Councillor Macintosh—At the present moment, looking at local roads, that system is very good. We should still be looking after them. However, going to, for instance—and I hate to harp back on it—the Sydney road link itself and further past that to the Newell Highway, that should be a federal issue and looked after rather than passing it off—

Mr PETER MORRIS—That is one issue by itself. What I want to get to—

Councillor Macintosh—I understand that, but what is happening is, as I said before, the funding is not coming through to there. When the state government gets the money it is not allocating it to the councils to use on their local roads themselves, or on any subsidiary roads that lead on to major roads. That is a major problem.

Mr PETER MORRIS—If we go to local roads, the roads for which CENTROC has responsibility, which roads are they? Which classes?

Mr Perram—That would vary from council to council. For example, here in Bathurst, we look after our local roads and we have an arrangement with the RTA to maintain arterials and, in fact, some parts of the Great Western Highway. Orange City Council may well have a different arrangement because of contractors and so on.

Mr PETER MORRIS—Has CENTROC or your constituent councils done any research into how you can get better value for money in the maintenance of those roads, whether you have program maintenance or just ad hoc maintenance as it comes up or use of materials, or whether it is done by contract or by council

work force? Has anything been done in that area?

Mr Perram—CENTROC, at their level, in my understanding, have not done that. Individual councils, as I understand it, have done it to varying degrees.

Councillor Macintosh—We are talking about who actually does the work.

Mr PETER MORRIS—What we are driving at is that we have to find a better way of doing it. We are looking for your help.

Councillor Macintosh—As everybody in the room is aware, of course, there is a great move and a great lot of pressure, if you like, for local government councils to contract out more services and to cooperate on a larger scale with other councils. Most of the councils in CENTROC at least have various forms of cooperation with their neighbouring councils, and will go a lot further down that track in the next few years because we are actively looking at that.

As we go down that track, I would see the councils as being the organisations that could reasonably be responsible for all the work on all roads. There might be some tied and untied grants. But I would see no reason why there should be any government department that owns heavy equipment and gets involved in road building when the skills and the equipment are available at the local level. It would perhaps be reasonable to make standards for highways that are national standards, of course. But my feeling is that there is quite a lot of duplication. We sit here in Bathurst and watch roads being built through the city by the outside organisation and think we could do it an awful lot better.

Mr PETER MORRIS—Why the shyness? What is the outside organisation? The RTA, is it?

Councillor Macintosh—The RTA. We think we could do it an awful lot better.

Mr PETER MORRIS—What about the 15 councils? Do you have pool sharing arrangements for heavy equipment? Do you buy your own D-9s every couple of years?

Mr Perram—With most of the councils in the Central West, we run our fleets at a level to meet our current construction and maintenance programs. With Bathurst City Council, for example—I am sure it is the same with other councils—we tender out works that are peculiar or larger than that. So the peak periods of maintenance and construction, particularly here in the mountains and in the nearer west, are the same for all councils. The pooling of plant does not provide many advantages unless you have surplus plant during those peak periods. We try to maintain our plant fleet at a minimum level and then hire above.

Mr PETER MORRIS—That is a pretty tall order you are giving me, because I have sat and listened to other councils that are all in the same zone—and one would expect that their road tasks would be in a similar period of the year—that are establishing quite effective pooling arrangements for heavy equipment and getting better utilisation rates and lower costs to ratepayers.

Mr Perram—Certainly—subject to what their initial fleet levels are at.

Mr PETER MORRIS—This is an extremely important area. There is a large amount of expenditure involved nationally. Local government is right at the grassroots level. You have control and are doing it as it happens and there is a great potential there to improve the level of efficiency and performance. You can best help us in that area. Where do you see the area for improved efficiency in local government expenditure on road construction and maintenance? Are you at maximum level? Can you make it any better or do it better?

Councillor Macintosh—I think there is a way to go, as we have just talked about, in pooling both skills and knowledge and plant and equipment. I think there is quite a way to go in that area. It is happening. There are discussions going on about councils joining together their plant depots. Probably all councils, in our region anyway, will gradually use some more contracting. We might, in fact, reduce our plant in some cases and use outside contractors where we can get better use of equipment. As pressure comes on local government, as it seems to be doing increasingly, we have to look at ways of using our equipment for longer hours. We have to work our equipment a bit harder. But the more cooperation we get, the more I suspect that will flow.

Mr McARTHUR—I noticed your final recommendation is that the Western Highway become a national highway. That would necessitate Commonwealth funding. I presume that is your objective. I draw your attention to a submission from the New South Wales government over Minister Scully's name. They say:

The productivity and competitiveness of Australia's economy depends very heavily on NSW. Of all the States and Territories, NSW has the largest and most diversified economy with 34% of the nation's population, 35% of Gross Domestic Product, 45% of all international visitors, 40% of all office and factory construction . . .

How can the Commonwealth compete with those very impressive figures in terms of funding?

Councillor Macintosh—I do not think I should get into Federal-state relations, Mr Chairman.

Mr McARTHUR—That is your recommendation. You are fundamentally saying that the Commonwealth should take over this stretch of road. The state, by their own submission, are saying that they have a lot of resources and that they are the centre of the universe. I am wondering why you would go to the poor relation in the Commonwealth to get extra funding.

Councillor Welsh—One of the problems we are having—and I did allude to this a little before when I was trying to answer Mr Morris's question—is in relation to the fact that any funding that the state government is seeking from the Commonwealth is predominantly being poured into Sydney, and that is it. The reason we are going to the Commonwealth as a committee, for example, as the Sydney Road Links Committee, and asking for national recognition is that we know we will have tied funding which will be specific for that highway. What is happening now is that untied funding that is supposedly meant to be spent on it is not being spent on it; it is being spent on roads—unfortunately or fortunately, whichever way you would like to look at it—for the Sydney Olympics. They are spending \$30 million in Pitt Street.

Mr LINDSAY—That really leads into what I was going to ask you. Just to take it out of localism, are you really saying that you believe under the current arrangements state-based organisations like the RTA are

currently not delivering what you believe should be national outcomes?

Councillor Welsh—I do not believe it is the RTA's fault because it is not the boss. It is basically being handed back the money from the state government. I believe the problem is the state government itself.

Councillor Macintosh—I think the RTA is working under those constraints the Deputy Mayor mentioned. Certainly, over the next few years, a lot of money will be spent in Sydney. But I think the federal government's role—which is partly to answer both those questions—really comes down to looking at national infrastructure, which is what your committee is doing. I come right back to my original point: in this part of Australia, the improvement in a very small, identifiable piece of our national infrastructure can have the potential to have a big payback from federal government funds invested or from state government funds invested. But, out here in the CENTROC area, we would be happy to spend the funds for you.

Mr LINDSAY—I am sure you would be!

CHAIR—I thank the representatives from the Bathurst City Council and CENTROC for making their time available. There were one or two questions taken on notice that Councillor Macintosh might arrange to respond to in writing. If we could also receive a copy of that strategy that was put together by CENTROC, it would be very helpful, I am sure. We can certainly provide the question that you took on notice in writing so that you can respond to that, if you would not mind.

Councillor Macintosh—Thank you, Mr Chairman. We will certainly respond to that and provide the report. Thank you, again, on behalf of CENTROC and the central western part of this state to you and your committee for hearing us.

CHAIR—Thank you very much for your attendance.

[11.59 a.m.]

HOWARD, Mr Leslie Vincent, Managing Director, Howard Haulage Pty Ltd, New England Highway, Willow Tree, New South Wales 2339

CHAIR—Welcome. Do you have any comment to make on the capacity in which you appear?

Mr Howard—I am here more on a personal basis as a company manager than as a representative of Howard Haulage.

CHAIR—Mr Howard, you made quite a good submission to the inquiry. Members have had the opportunity to read through and highlight a few points of concern to transport operators. Would you like to make a brief opening statement? Could you outline the parts of the nation that your company operates your transport business?

Mr Howard—Firstly, I am based in Willow Tree, which is a village of only about 100 people. I have a transport company there that I have built up from one truck, so as I have gone along I have learnt some lessons that have stayed with me on road safety and so forth. The area we service is mainly the north-west and Liverpool Plains and between Sydney and Newcastle and up as far as Brisbane. My interest in this stems from the fact that I am a member of the Tamworth contact group of the Roads and Traffic Authority Road Freight Advisory Council, I am the road users' representative on the New South Wales Police Service Country Customer Council, and I am a member of the New South Wales Road Transport Association, Northern Committee, at Newcastle. So I find myself very conscious of road safety and the economics of road transport, of highways and of transport in general.

In my submission I specifically mentioned the Pacific Highway, which is a particular worry to me as it runs up the east coast and I see the east coast as the biggest growth area in Australia. It has a bad record for road casualties and potential for a lot more growth yet. There is a lot of road transport and people travelling between Sydney and Brisbane and a lot of it goes up the coast.

I mentioned some things that I would like to see addressed about the economics especially of the state roads and traffic authorities. I believe that we should address the issue of the letting of contracts for road building. Some of these contractors need to be vetted more, and there should be a much more stringent warranty clause in these contracts for road building.

CHAIR—In your submission you supported the introduction of a \$70 toll for semitrailers using the Pacific Highway. Can you give us an outline of the reasons for that suggestion?

Mr Howard—If it is made public that I said that, I will have all the transport operators in Australia wanting to shoot me.

CHAIR—It is public.

Mr Howard—I can dodge pretty well, I guess. That came out some years ago when we were all

wanting funding for the Pacific Highway. I believe media hype killed it before anybody was addressed. The announcement was made, the papers blew it up, and in no time at all it was gone. Maybe I put there that they could well have afforded it. I do not know that they could have afforded it, but in today's climate they still could well afford it. Of course I am here to urge you to spend your money on the Pacific Highway much quicker than you intended to spend it so that the Pacific Highway can keep pace with the traffic that is going up there and the potential. So if you do that, the road transport industry does not need to contribute that \$70, just part of it.

CHAIR—But the concept would equally apply, say, to the Great Western Highway?

Mr Howard—Yes. We have come a long way in the few years since that was mentioned. Road transport has become a lot more sophisticated. The trucks are much safer and they get along much quicker. For a truck using the New England Highway between Brisbane and Sydney, the trip takes about 12 hours, which is right on the limit of their legal hours. I think they can do it in less. So they travel, they have their five hours and they travel again.

If in a few years time the Pacific Highway came to the stage of having expressway conditions, a truck could travel between Brisbane and Sydney in, say, 10 hours. To operate a truck is worth something like \$50 an hour. The industry would shoot me for saying it, but we are looking at the cost of life as well. Expressway conditions would lower the road toll by as much as 90 per cent, I think, according to something I read. We are looking at economics and the road toll there and what the industry would be prepared to pay as a toll. But I would certainly say loud and clear that we should ask the questions.

Mr McDougall—One of the things you said in your submission was that the three tiers of involvement should remain, on the proviso that the grants be tied. You just heard a witness from the CENTROC group suggest also that grants should be tied. What is your rationale for saying that the three levels or tiers of involvement should remain on the basis of tied grants?

Mr Howard—I cannot speak for the shires. I do not know the ratio of funding that they get, but the shires are the people who are in touch locally. Each local shire has a job to do, but they have that job to do with road infrastructure as well as their socioeconomic set-up. Most shires now have social development committees and things like that which need to be funded. The population is getting older, so the shire has a role to play there, but between looking after the social climate and the road climate they are always strapped for cash.

To come back to the states, the same thing happens. I suppose I am the only person in New South Wales who will say it, but look at what has happened to the state now. Look at what has happened to the New South Wales government. Promises were made about roads prior to the election, but now that the government is there they have not got the money to do it. A lot of the money that they are getting from the Commonwealth government, I would assume, has got to go to fund other things like the promises about waiting lists at hospitals.

So when the questions have been asked and the decisions have been made, if the money that goes to the states for roads is not tied to roads, there is a very real possibility that the states will not be able to afford

to do it and keep their election promises. Of course, it would be nice to think that all governments, whether they be state or federal, could make their decisions for the good of the people rather than for the good of the votes they want to save.

Mr McDOUGALL—If major highways went into private sector funding on some sort of toll or user-pays system—not only in construction but in maintenance—that could mean that the private sector, as the investor, would be responsible for a given period of time. That would obviously change the focus on the three-tier system. How would you see that impacting on the areas that you do business in?

Mr Howard—You are thinking of toll roads now?

Mr McDOUGALL—Toll roads is one way.

Mr Howard—Could you rephrase that question?

Mr McDOUGALL—You were just talking about how the three tiers of current funding should remain. If a major road project—and you referred to that as a toll in your submission—were to be handled by the private sector through private sector infrastructure funding, what impact would that have in the areas that you do your business in, as I assume it would take away the involvement at a great level of the three tiers that are involved in it today?

Mr Howard—It would have a big impact on road transport. Road transport is very efficient, thank goodness, but it is operating under duress. Road transport costs are such that most road transport operators are feeling the pinch. So any extra cost will be a matter of grave concern. However, if you cannot do anything with the top line, you have to look at the bottom line more seriously to see where the savings are. If a toll road were there and a cost were imposed, I believe the road transport industry would pay it. Personally, as I live on the New England Highway, my trucks do not use the Pacific Highway much at all. I was looking at the toll road there certainly as a matter of economics but more as a cost of life. That road has the potential to claim a lot more lives if something is not done much more quickly than this 10-year program that we are talking about.

I believe the impact on local government could be handled because, if it were a Commonwealth initiative, the states and the shires would probably accept that. You would have the environmental problem as the road goes through and questions would be asked. If it were a private contractor, the involvement would be great provided there are very stringent requirements on the cost recovery. We have all heard of some cost recovery regimes now in place for some roadworks around the place that have not worked out properly, and the general taxpayer is going to be out of pocket as a result. All these things can be looked at in hindsight to see where the mistakes were made. I believe a toll road is a very real option up there. How it would be worked for somebody travelling from Port Macquarie to Coffs Harbour, as opposed to somebody travelling from Brisbane to Sydney or to Newcastle, would be a problem to be worked out. However, I believe the idea is good.

Mr PETER MORRIS—I am a bit puzzled, Mr Howard, because you said that most of your business is concentrated on servicing the north-west, through Tamworth, Liverpool Plains, Sydney and Newcastle but

that your concentration is on the coast for the reasons you have outlined. You said that it is simply an interest you have and that most of your vehicles do not run on the Pacific Highway.

Mr Howard—No; very rarely.

Mr PETER MORRIS—So you do not have any knowledge of the composition of traffic. For example, are the vehicles that are through bound from point to point all interstate journeys or intra-regional regional journeys?

Mr Howard—I will just correct something I said. We will be doing a fair bit more work between Sydney and Taree in the future as a result of the—

Mr PETER MORRIS—You do not have to explain this to the chairman because he is from Taree.

Mr Howard—You would know about the new Fielders thing there. We have been carting a lot of their mill run up into Tamworth. I am told that that will now be diverted to Taree. It is starting around about now. We do go through there but not on a regular basis. As needed, we go up and down there. I was lucky enough to get to the show for the first time in 30 years, but when driving home in the car I heard on the news of another fatality on the north Pacific Highway. It is happening all the time. At Christmas time there were a lot of fatalities on that highway. I wrote this submission after Christmas. I believe that highway has to be looked at, just on safety and economics.

Mr PETER MORRIS—Do you have any knowledge of the costs of running the Sydney or Newcastle to Brisbane journey on the coast road as compared with the road you use—the national highway?

Mr Howard—I think it is about on a par at present. The distance is about the same.

Mr PETER MORRIS—The distance is about the same; the difference is 13 kilometres. Some of the truck operators say to me that the national highway has got better sight distance, they are easier grades and there is less traffic.

Mr Howard—On the New England Highway?

Mr PETER MORRIS—Yes.

Mr Howard—There is definitely less traffic. It is a much better highway for road transport to use.

Mr PETER MORRIS—It is a much better highway. So those doing the through journey ought to be encouraged off the Pacific onto the New England or the national highway.

Mr Howard—Onto the New England.

Mr PETER MORRIS—Is that something the road transport forum does or can do?

Mr Howard—Yes, it could do. I do not think it needs to though. I have noticed that even Lindsay Brothers trucks come down our way a lot and they are based at Coffs Harbour. So their through trucks do not go home.

Mr PETER MORRIS—In one part of your submission you are saying that the industry is paying too much and in another part you have made the suggestion about the \$70 toll per heavy transport vehicle, which you have explained. If you are talking about toll roads, and given that some people say they are already paying taxes and the toll will simply be another tax and why should they pay more, have you got any particular views about how you would go about collecting those charges? Should it be on the size of the vehicle or the weight of the vehicle or the distance travelled? Have you given any thought to that?

Mr Howard—No, I have not. At the time that proposal was put up, I was so disappointed that it was not investigated further. I have not got any ideas about how the toll would be collected, but what I meant was that, if an expressway conditions road was put through the Pacific Highway and road transport started to use it, they would save that money. They would save enough money to pay a toll. I put \$70 there because that was what was mooted at the time.

Mr PETER MORRIS—And the current journey time, whether you go Pacific or national highway, is about the same?

Mr Howard—Distance, it is.

Mr PETER MORRIS—No, travel time.

Mr Howard—I would think that at present the New England would be quicker.

Mr PETER MORRIS—It is quicker.

Mr Howard—I would think so—and much safer for road transport because of the traffic.

Mr PETER MORRIS—If trucks are off the Pacific, that also makes the Pacific much safer too, doesn't it?

Mr Howard—It makes the Pacific much safer, and so it should be. If the road transport can use the New England and keep away from the Pacific and save congestion, it is a great idea. However, somebody has got to service all those areas, so a lot of transport is on there.

CHAIR—Can you run B-doubles up the New England?

Mr Howard—You can up the New England.

CHAIR—How far?

Mr Howard—All the way.

Mr McARTHUR—You operate from Willow Tree, which is on the other side of the Divide. Could you give the committee a perspective as a haulage operator on the western side of the Great Dividing Range? Is that any different from the bigger operators who are based out of Sydney and Brisbane?

Mr Howard—A perspective?

Mr McARTHUR—In terms of the highway, in terms of the quality of road and all the sorts of things you have raised and have been raised with the committee.

Mr Howard—The quality of roads is not too bad in relation to the rest of the country. The Roads and Traffic Authority up there are working towards opening up the highway to Moree for B-doubles and the piece between Gunnedah and Narrabri is not open yet but it has been gazetted—if that is the word.

Mr McARTHUR—I am just interested in your perspective on the matters you have raised with us about toll roads and funding. Do you bring a different regional perspective to the argument from somebody based in Sydney or Brisbane or Melbourne?

Mr Howard—A regional perspective I would find hard to give. But, back to toll roads, if these areas of fast development have to be serviced by better roads, if we do not look at toll roads we are not going to get them quickly enough because, no matter how you finish up with this inquiry, you are still not going to have the funding that we need to do the things that we need to do quickly. And, of course, that is not your fault. That is the fault of governments 15 years ago that did not keep pace. We are now so far behind with our road infrastructure that we have got a problem, haven't we? I just see that personally as something we have got to look at.

Mr McARTHUR—And you are saying you will pay it if you can get an advantage in time?

Mr Howard—I believe that the industry in general would.

Mr McARTHUR—You as an operator?

Mr Howard—Yes, it would be a matter of economics. If you could save an hour, you would probably save \$50.

Mr McDUGALL—You have just said that roads are behind because of lack of funding. What potential do you see, as an operator, in attacking it on a double front? While upgrading roads, would third party access available to the rail be an option to you as a road-rail operator?

Mr Howard—Rail becomes a problem inasmuch as the stuff has to be got to and from rail. Road transport is operating as a result of the demand, not because road transport wants to be in opposition to rail. To successfully use rail—and obviously you mean this for general transport—it really needs to be a container thing where the freight forwarder packs his goods in a container and he unpacks it again.

Rail lost all their business because they just could not look after the goods. It is as simple as that.

They used to lose it, they used to damage it, and people have not forgotten that. Rail is great for things like full train loads of wheat, sorghum, coal and people.

If I might divert a bit, I believe that rail should be made much, much more attractive to people, especially in the city and in close places like, say, Bathurst to Sydney to get the cars off the road. But, going back to the country, as a carrier years ago, we used to put stuff on and off the rail. People just do not want rail.

Mr McDOUGALL—My question was: if you, as an operator, had third party access to the rail, the control over what went on the rail and what came off the rail was yours and not the department's and they hired you the track, would you be interested in operating a haulage system that combined the two with you controlling the rail end?

Mr Howard—If I were in a position, I would certainly be interested. There are people doing it, as you know, between capital cities. I am not au fait with exactly how it works or how they are getting on. If I might name names, I think it is United Transport that is sending a train load of containers a day out of Melbourne to Sydney. They pack their containers and they unpack them, and they are obviously satisfied with the arrangement.

However, they have depots at both ends of the rail link. So, for capital city stuff, it is a possibility. But it would be a matter of economics where the depots are situated and how much trouble it would be to pack a container, get it on rail, get it off rail again and get it to where it is going and unpack it. But, provided that the packing of the containers is supervised, it is certainly an option.

Mr McDOUGALL—You raised the question of safety fairly strongly. With the current road system allowing operation of double-Bs, plus the potential of an increase in mass weight, do you feel that the roads are capable of those two factors—with the safety being taken into consideration?

Mr Howard—Not really. The RTA is looking at the B-double routes. I have a map at home—I did not bring it, but you would have seen it, I guess—of the routes that are designated as B-double routes. As they can upgrade the roads to a quality that would be okay for a B-double to use, then they are opening it up—for example, I just mentioned from Gunnedah to Narrabri.

The RTA likes B-doubles, as you know, because two B-doubles does the job of three ordinary trucks, but I am not openly pushing B-doubles because of where I am personally. They are not the greatest thing for a bush carrier. However, from, say, Melbourne to Brisbane, they are ideal because they will take the weight. In certain cases the roads are a bit narrow.

CHAIR—Mr Howard, I just want to go back to some of the points that you raised on road-user charges. You made a suggestion of a toll for heavy transports on the highway network. You would also be aware that one of the more contentious issues that has been raised in submissions is that the fuel excise that the Commonwealth collects is not hypothecated to roads. In your suggestion of generating a toll from the transport industry, on what basis should that be established—on size of vehicle, frequency, weight? What are you suggesting in that area?

Mr Howard—I did not suggest a toll; I said that it was suggested and it was poo hooed before it was investigated.

CHAIR—I should not say a toll; I should say a road-user charge?

Mr Howard—I gave you a little graph that I would like—

Mr McDOUGALL—A contribution is a nicer word.

Mr Howard—A contribution, thank you, sir. I gave you a little graph I would like you to look at. Incidentally, I would like you to all be aware that this book was printed after I wrote my submission. It is dated 27 January. So anything that is in here was not put into my head. If you look at the graph on the right in the middle, the red line is the amount of excise from petrol and diesel that is returned to roads, and the black line is what is collected.

That is too great a gap. It has to be stopped; it should be stopped. I believe that you have to stop it. The figure on the left is millions of dollars spent and the figure on the right is millions of dollars collected. I am told that you are collecting about 37c a litre fuel excise and returning about 8c and that the industry would be happy if it were around 20c. So you could have the other 18c for social development.

CHAIR—I am sure the industry would.

Mr Howard—But that is too great a gap. The road transport industry really is paying too much for the value of the dollar we are getting back. We are not here to push our own barrow. We are here to provide a service to the general public.

CHAIR—We might wind up the evidence there. Thank you, Mr Howard, for making the effort to come along and for your submission. Were there any questions you had taken on notice to provide information on afterwards?

Mr Howard—I would respond to the thing about the Road Transport Forum. The annual Road Transport Forum Convention is on the Gold Coast at the Pines Resort on 16 to 18 April. At the risk of getting my throat cut up there, I would be prepared, if you wished, to get somebody to field the question and see what response we get.

Mr PETER MORRIS—The committee will be in Western Australia at the time. So, since you are on the eastern side of the island, I think we would all vouch for you in canvassing some of those ideas.

CHAIR—We will keep in contact. Thank you very much for making yourself available to assist the inquiry, Mr Howard.

[12.29 p.m.]

BOLLINGER, Mrs Marjory Edna, Coordinator, Highway Safety Action Group for New South Wales Inc., Glenelga, Molong, New South Wales 2866

CHAIR—Mrs Bollinger, thank you very much for appearing at such short notice. Can you very briefly give the committee an outline of the modus operandi of the Highway Safety Action Group of New South Wales. What does that organisation do?

Mrs Bollinger—The Highway Safety Action Group was formed in May 1992 as a result of a spate of fatal road accidents within the Central West. We had a series of aims and objectives that came from our first public meeting, which was attended by almost 400 people in Orange, to get greater use of road and rail transport for heavy freight and passengers. Our prime target was to have improvements to the Great Western Highway between Bathurst and Lithgow. I believe that you have had a look this morning at what we claim to be part of our road down at Mount Lambie.

We are certainly not an anti-truck organisation. I have certainly been a representative at the Road Transport Forum conventions. I have served on the Alternative Compliance Consultative Committee, the Safetycam Consultative Committee and I have spent quite a number of years with the NRMA's consultative committee. So we like to look at the big picture of road safety and don't think that we should just be looking at each individual little box and saying that that should be cost effective. We think we should be looking at the big picture and making sure that the needs of the community are met.

CHAIR—Your submission is quite comprehensive which the committee has received and we thank you for that. In your submission you made the comment that the federal government in funding national highways and roads considered to be of national importance must also maintain levels of funding to the states by returning a greater percentage of fuel taxes to the states to ensure the states have adequate funding to maintain and construct regional roads.

So you are advocating hypothecation. I know it is a catch word in the industry, but at the moment that does not exist. My understanding is that in New South Wales the 3x3 still exists and is hypothecated allegedly to roads, but the Commonwealth excise is not. So are you suggesting in the submission that part of the fuel excise that the Commonwealth collects should be earmarked and directed back to states to spend—not targeted or not as a specific purpose payments—on roads as untied road grants?

Mrs Bollinger—No, as tied road grants.

CHAIR—So are you suggesting that the Commonwealth should say, 'Okay, here is \$100 million out of this piggy bank, we want you to go and spend it on the Great Western Highway?' So you want the Commonwealth to instruct the states?

Mrs Bollinger—Yes. The other comment that I would like to make is in regard to the question that has been posed to the other witnesses this morning as to the adequacy of the three-tier system. Again, it is a totally uneducated comment just from what I have learnt over the past five years in my experience with road

safety. There is an enormous amount of funding that is lost from government funding being handed to the states and then handed to local government. I would certainly suggest that funding that is directed to local government should be directed straight to local government and bypass the state government. I think we would get far better value for the dollars where they are meant to be spent rather than their being used up in administration costs along the way.

Mr PETER MORRIS—And would your organisation also propose that, where that money is intended for local government, the money is in fact spent on roadworks?

Mrs Bollinger—Yes.

Mr PETER MORRIS—Currently, the legislation is that the money is intended for roadworks, but there is no compulsion on the councils to use it for roadworks.

Mrs Bollinger—I think that it should be compulsory that be used on roadworks. The best example I could give of that would be, back to my very early days, when we actually went to Canberra with the then member for Calare, David Simmons, and were fortunate enough to get the \$3 million of federal funding for Mount Lambie. Part of the condition that we stipulated to Bob Brown at the time was that, if they handed it over, we wanted it to be spent on Mount Lambie, not just to come over. I think it took us about 12 or 14 weeks to get the Hon. Wal Murray to accept it under those conditions that it be spent there. If there is an area of road that is in need of funding—such as Mount Lambie was and the Coxs River bridges—and the federal government is prepared to provide funds for that, in my simplistic terms that is where it should be spent.

Mr PETER MORRIS—Taking it to the state level, you want a greater share of the proceeds of excise directed to the state governments for road related expenditure activity? Do you want that dedicated money earmarked for specific projects in relation to roads?

Mrs Bollinger—Yes.

Mr PETER MORRIS—Or just earmarked for roads and left to the states?

Mrs Bollinger—I think it would be good to have it earmarked for specific projects, but I probably would like to consider that a little further before you hold me to that answer.

Mr PETER MORRIS—No. It is just an indication from a consumer who sees where the money goes and where the results are.

Mrs Bollinger—My instinctive answer would be yes, I think it should be specifically targeted. For example, there are many smaller road-user groups that are springing up in our area at the moment. They are having terrible problems with their local roads and they are told, ‘Oh yes. Go off and get black spot funding.’ But we have seen the level of black spot funding and where that is going. A little road out of the back of Burruga or Orange where the traffic volumes are very minimal is going to have a pretty small chance of getting any black spot funding.

The figure I have been quoted is that 38c per litre is collected in fuel excise at the moment and about 3c of that comes back to roads. I guess we get back to the rail and road argument that I have been fighting fairly strongly with the Rail Access Corporation at the moment. Rail Access says that they have opened up the rail network for private operators. But a private operator who wishes to operate a train on a specific set of track, if he is the only operator operating on that piece of track, has to pay the whole maintenance, whereas I can go out and buy my semitrailer, pay my registration fees, buy a licence to drive it and have access to the whole road infrastructure in Australia.

Mr PETER MORRIS—Mr Howard is listening to you very closely.

Mrs Bollinger—Is he really?

Mr PETER MORRIS—Has your organisation observed what it sees as opportunities to improve the productivity or efficiency with which work is carried out by the state road and council authorities? Have you seen any way they can get better value for the money that is being spent on roads?

Mrs Bollinger—No. I cannot be critical of what is done there. I have certainly had a very close and harmonious relationship on most occasions with the RTA and undoubtedly, whenever we have identified a problem spot to them, they have done the best they can in the shortest possible time according to the funds that are available to resolve those problems. The funding always seems to be the problem, be it at RTA, state or local government level. The purpose of this inquiry was to try to see where there could be better value—I think your term was—to the taxpayer. By eliminating that middle layer of government and directing your funds directly to the coalface, you would get much better value for the taxpayer.

Mr LINDSAY—Thinking about safety issues only, do you have a preferred model as to how the priorities of addressing the adequacy of safety should work? Who should set those priorities and do you think the Commonwealth should have a hand in setting the priorities of safety in the highway system?

Mrs Bollinger—Yes. I should answer that question with a question: what value a human life? I think everybody should be responsible for road safety. That is another comment or criticism I have had with the system of allocating black spot funding. I may have heard on the radio this morning that that is now being changed. Why do we always have to have every government decision that is made made on the balance of statistics? Unless we have fatalities or sufficient beans in the bag to prove that we have a bad section of road, we cannot seem to get anything done about it. Why can't we look at a section and say 'Okay, we have had so many near misses here. This is a dangerous section of road. Let us assess it for what it is and prevent it before it happens rather than wait until we have killed 10 people'?

Mr LINDSAY—With respect, it is possible under black spot now to look ahead and the government has encouraged that to occur.

Mrs Bollinger—Yes, and I welcome that change.

Mr LINDSAY—But what I was getting at is: should all levels of government be involved in this? Is that a cumbersome model?

Mrs Bollinger—I am afraid I do not quite understand your question there.

Mr LINDSAY—Okay. In addressing the safety adequacy of the highway system, should it be the local government in the local area that says, ‘We are on the scene, we know what the problems are,’ or should that be passed back up to the state, or should the Commonwealth have a role in it? Has your organisation thought about that?

Mrs Bollinger—I am thinking about it right now. I guess the answer would go back to my comment about the funding coming directly from the federal government to the local government because the local government would be more aware of the danger spots within their particular area. Those who live nearest would be able to identify the problems better. So yes, we should be responsible at the local government level, but I also think it is the responsibility of each tier. As I said before, what value do you place on a human life? All levels of government should be doing what they can to preserve human life.

Mr McDOUGALL—If I could carry that a little further, I think we could acknowledge that we have got more safety problems than we have money to fix them, at federal, state and local levels. You say that the federal government should pass it down to the local government and the local government should make the decision. I have some sympathy with that because I came from local government and I can understand your point. Where is the filtering process going to be to set priorities to determine where a limited amount of money is going to a maximum problem? I appreciate what you are saying about not wanting statistics to be the benchmark, but what alternative is there to be able to set priorities?

Mrs Bollinger—I agree. I am not saying that you should say, ‘Here’s \$30 million from council to go and fix a road.’ You would need to have criteria that the councils would have to meet and there would have to be a priority system based on the needs within that area. Whether the statistics or the beans in the bag be the traffic volumes, the freight volumes, the regional development or whatever, I agree that it is not a matter of saying, ‘Here’s the money.’ We would have to have terms of reference and criteria to be met.

I think there would be benefit in developing criteria if we are looking at getting value for the taxpayers’ money and trying to eliminate the filtering system. If the filtering system were a little more refined it may provide more benefits to the taxpayers.

CHAIR—We might wrap it up there, Mrs Bollinger. If, following the discussions this morning, there are any other comments you would like to put in writing in a subsequent submission, please feel free to do so. Alternatively, if anything comes to the mind of the committee, we may write to you and seek further information as the inquiry develops and progresses over the coming months. I would certainly like to thank you very much for appearing before the committee today.

Mrs Bollinger—Thank you for the opportunity to appear today. I would like to state that I was not upset that I did not have the opportunity to speak. My criticism, if that is what it has been, has been aimed more at the system. If a public hearing is a public hearing, I think the public should be made aware that they are going on and have the opportunity to speak. So, for my comments or criticisms, I either apologise or hope they are taken in the spirit they were meant.

CHAIR—Not at all. We are a flexible group and we are trying to accommodate as best we possibly can. The public have to bear in mind that there have been 800 submissions to this inquiry, and we are certainly not going to get the opportunity to have a question and answer session with all of them, but we are going to endeavour to get to all the important ones.

Mrs Bollinger—I appreciate that, but my point is that perhaps in future you should at least look at notifying the people who have put in submissions so that when you have your public hearings we can come along. That is meant as a comment rather than a criticism.

CHAIR—Thank you. On behalf of the committee, I thank all the witnesses who have given evidence in the public hearing today.

Resolved (on motion by Mr McDougall):

That the committee authorises the broadcasting of this public hearing and the publication of the evidence given before it at public hearing this day.

Committee adjourned at 12.45 p.m.