

Speech for the National Local Roads and Transport Congress

Bunbury Entertainment Centre

Bunbury Western Australia

Thursday 14 October 2010

Geoff Lake, President of the Australian Local Government Association, Board members of the ALGA, Mr Adrian Beresford-Wylie, Chief Executive, delegates.

When I was first asked to speak to your Congress prior to the election, I thought I would be here as the Opposition spokesman outlining policy for an imminent election. When I confirmed your kind invitation, I hoped I would be speaking as the new Minister for Transport outlining to you the plans of the Coalition Government for its first year in office. That was not to be and I am here speaking on behalf of the Opposition once again, about our policy for the next election.

The election held on Saturday 21 August delivered a remarkable result; a divided Parliament and a potentially unstable Government. Elected members must nevertheless respect the result and do their best to make the people's verdict work.

That will be a challenge, and I suspect that the new Government will struggle to deliver important reform because of the difficulty in securing passage for any controversial legislation. Nevertheless, I expect Parliament to run full term.

Certainly, the independents will be keen to preserve their moment in the sun, as it has been seventy years since they have wielded any influence in the House of Representatives.

These unique circumstances mean that the Opposition's policy on key issues will be more important than ever. The policies we took to the 2010 election still stand, but naturally we will review them periodically as circumstances and issues change.

What I can tell you is that the Coalition will remain a friend of local government.

There was, inevitably, a lot of argy-bargy in the last election. That of course is nothing new, but even I was surprised by some of the nonsense that was dished out during the campaign.

The Coalition, in spite of what you may have heard, is not planning to cut AusLink or the Roads to Recovery Program, after all, we created them both. We will not shift Roads to Recovery away from the control and responsibility of local government.

The Coalition supports Roads to Recovery now and in the future. We will keep it beyond 2014 and I call upon the Government to do the same.

The Coalition, in spite of the objections of our political opponents, established the Roads to Recovery in March 2001. It has since become an essential element in helping local government maintain and upgrade 650,000 kilometres of local roads. This obligation costs local government \$3.8 billion per annum. Roads to Recovery give local government a much needed helping hand in meeting this infrastructure burden. I am proud that the \$2.4 billion the Commonwealth has provided under Roads to Recovery from 2001 to 2009 has funded over 15,000 projects.

The Coalition will also keep the Black Spot program and restore its original objective of fixing black spots on local roads and streets – not divert money to the National Highway.

We also remain committed to what was known as the AusLink Strategic Regional program. This Coalition initiative provided funding for regional roads off the national highway system. It is valued at over \$690 million over the six years from 2008 to 2014.

The Coalition will reverse the decision by the Labor Government in its first term to remove the regional focus of this fund. Now, 82 percent of the program supports projects in Labor-held, predominantly urban seats. A Coalition Government will manage it more equitably than that. The Coalition supports the Strategic Regional Roads Program and during the recent election campaign offered a further \$351 million for local roads.

We stand by these promises to help out regional communities and councils struggling with decaying local roads.

The Coalition stands by these commitments because we appreciate the kind of infrastructure challenge faced by local government.

According to the PricewaterhouseCoopers report commissioned by the ALGA in late 2006, the local government sector is responsible for construction infrastructure, including roads, worth over \$100 billion. The funding burden of these assets, that includes hundreds of kilometres of local roads, consumes almost one quarter of the budget of local government. According to this report, the infrastructure backlog facing local government in Australia is \$14.5 billion.

Put another way, the annual expenditure of local government in Australia is approximately \$22 billion, but the funding gap is over three billion every year. The ALGA tells me that the infrastructure gap for local roads is \$1.2 billion.

And this burden will only grow as Australia's local road infrastructure comes to the end of its working life and Australia's population increases.

Indeed, if you believe the modelling produced by PricewaterhouseCoopers earlier in the year, should Australia's population reach 36 million by 2050, we will need another 173 thousand kilometres of new roads – equivalent to the entire road network of Thailand. We will need 3,254 new schools, 1370 new supermarkets and 1,370 cinema screens.

These are big issues which can only be addressed as part of a general debate about tax reform and a discussion with the States about their attitude to local government. The Federal Government cannot take the place of the States or save you from the action of your State governments.

A Coalition Government will, however, continue its efforts to protect local government from cost-shifting. The Coalition is proud of the efforts it made in this area with the signing of the 2006 Intergovernmental Agreement that established a framework to address such practices. This agreement is up for review in 2011 and I can promise you, the

Coalition will be watching very carefully how the Gillard Government approaches this task.

I can also promise that a Coalition Government will work with you to pursue constitutional recognition of local government. There is an added urgency to this task, since the legal reasoning displayed by the High Court in the Pape case decision last year, suggests that the validity of direct payments to local government by the Commonwealth may be uncertain.

This means that the Roads to Recovery program, for example, could be breaking the law. Appropriate constitutional recognition would secure these payments and the principle of the Commonwealth lending local governments a helping hand.

The Coalition was also pleased to propose, during the election, a new Bridges Renewal Program. When I attended your last Congress in Mackay, concern about ageing bridges were raised with me in almost every meeting.

Local bridges play a vital role in Australia's economy, allowing produce from the regions to get on to our national highways and then to our ports. These bridges are often the only way local communities can access work and school.

I know decaying local bridges are a bugbear for local councils, as the repair bills are often out of reach of council budgets. And it is a growing problem, as according to some academic studies, there are over 20,000 small road bridges across Australia, with many reaching the end of their structural life.

That is why the Coalition committed to provide \$300 million over four years, for a matching funding program, to restore and rebuild local road bridges. The funding was to be allocated on a transparent, merit-based competitive assessment. I am disappointed the Rudd-Gillard Governments failed to match this promise.

This policy is rather timely, as I notice in the program you are running a worst road and bridges competition. When the Coalition secures government, be sure to send in your winning entry. You should not have

any difficulty in finding a suitable candidate. Perhaps the prize for the winning candidate should be Federal funding!

The Coalition will also fund 500 new roadside stops for truck drivers. While this is good news for many truckies driving on our national road system, it may also help local councils trying to deal with inappropriately parked heavy vehicles, since the freight routes that traverse their jurisdiction often lack proper roadside parking facilities.

I conclude now on a more sombre matter. Australia through the COAG Transport Council is currently developing a National Road Safety Strategy for the next decade. We all know that road trauma is one of the great public health issues facing Australia. In 2009 over 1,500 Australians died on our roads and almost 33,000 were hospitalised due to serious crash-related injuries. The annual cost to the economy is \$17.8 billion or 1.7 percent of GDP.

These figures are tragic but it is important to recognise that much good work has been achieved over the past decades. Annual road deaths have dropped from a peak of 3,798 in 1970 to an average of 1,641 between 2000 and 2008 even though the number of vehicles on our roads has tripled.

I recognise, however, that more needs to be done, particularly since the target to reduce the rate of road deaths by 40 percent set in current *National Road Safety Strategy 2001-2010*, (even after a promising start), will not be met. In the years ahead, it will not be easy to secure further large-scale reductions in road trauma, as Australia's freight task will nearly double over the next decade, and private road use, both urban and regional will continue to increase.

As an aside, I was pleased to present this morning at a local school, an award for a new road safety poster designed by a local school girl. This is part of the change of culture regarding road use this country needs.

Local roads make up 85 percent of Australia's total road length and so will be carrying much of tomorrow's increased traffic burden. The role played by local government in reducing road deaths will therefore be even more important.

It is hard to know how many Australians die on local roads, since the Australian Government does not keep such statistics, but I note in the 2004 Federal Parliament inquiry into National Road Safety, submissions stated that road deaths in rural Victoria, South Australia and Western Australia exceed metropolitan deaths in those states. I don't know how many roads deaths occur on roads controlled by local councils, but I am sure it is a significant proportion of the total. Local government already plays a significant part in reducing Australia's road toll. It is crucial in the rollout of the Black Spot program, it delivers safer roads through Roads to Recovery and the ALGA represents local government on the National Road Safety Strategy Panel.

The Coalition will continue to respect the unique contribution local government can play in reducing Australia's road trauma. Local government has the home ground advantage – it knows where the dangerous roads are and it can tailor road safety strategies to suit community needs. In Government, the Coalition will seek your views in the development of the *2011-2020 National Road Safety Strategy* and more generally, work with you in finding better ways to make our roads safer.

I have only touched on the many challenges faced by local government as it plays its part in providing Australia with a modern, efficient road system. In Government, the Coalition will continue to support you in this endeavour. We remain committed to the concept of direct federal assistance and, as the Coalition repairs the federal budget after Labor's reckless spending, will continue to offer you the financial resources you need.

Of course this partnership works both ways, and local government must continue its impressive efforts in reforming the way it works to make its use of resources even more effective. That is why I commend the ALGA for commissioning a study by Jeff Roorda and Associates to embark on a systematic analysis of future local road funding needs. I understand Jeff has already provided you with a summary of his findings. I look forward to having a look at them myself.

I think it is important to have a credible and clear set of data about what the local infrastructure challenges are, in order to lobby more effectively

at both a State and Federal level. From that perspective, you have done the right thing.

And I also thank the hardworking local Federal Member for Forrest, Ms Nola Marino, for giving me an update this morning about some of the infrastructure challenges here in heart of south west of Western Australia, that like so many other areas in regional Australia, faces the pressure of significant population growth. These are issues so many local councils must confront, and the work by Jeff Roorda will be a helpful planning tool in doing so.

I thank you again for the opportunity to speak with you today and I wish you a productive and informative Congress as you work towards a goal we all share – better and safer roads.

I am happy to take your questions.