INTRODUCTION

Each year, Roads Australia (RA) hosts an executive workshop of private and public sector leaders to discuss and steer RA’s activities on key issues, with the purpose of enabling a positive impact on how Australia successfully delivers and operates its transport networks.

The workshop takes place as a breakout group of the Roads Australia Transport Summit, an event that brings 300 people together to hear from top international and national transport thought-leaders. The CEO Workshop reports back to the Transport Summit in a moderated panel discussion and this paper aims to build on that report by further sharing the outcomes.

2019 CEO WORKSHOP

The 2019 CEO Workshop:

- Updated public and private sector leader’s CEOs on the RA Strategic Plan 2019-2021 and Policy Priorities, including closing the loop on the progress of the priorities identified at the 2018 CEO Workshop,

- Presented the inaugural annual Roads Australia Industry Confidence Outlook,

- Explored 2019’s emerging issues with presentations by Road Agency Heads, and

- Workshopped five key policy topics for collective guidance on what success looks like and the role and next steps for RA in these areas. The specific topics covered were:

  1. Safety on Rural Roads
  2. Procurement, works packaging & national contracting methods
  3. Road Reform
  5. Sustainable Transport Infrastructure

NEXT STEPS

The policy conclusions and recommendations will inform RA’s policy activities and events for 2019 and beyond.
# LIST OF ATTENDEES - THURSDAY 30 MAY 2019 - SYDNEY

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<td>Geoff</td>
<td>Allen</td>
<td>National Transport Commission</td>
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<td>Tony</td>
<td>Braxton-Smith</td>
<td>SA - Department of Planning, Transport and Infrastructure (DPTI)</td>
<td>Chief Executive</td>
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<td>Scott</td>
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<td>Natalie</td>
<td>Collard</td>
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<td>Clare</td>
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<td>Patrick</td>
<td>Hill</td>
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<td>Samantha</td>
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<td>McConnell Dowell</td>
<td>Executive General Manager - HSEQ</td>
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<td>John</td>
<td>Kirkwood</td>
<td>Seymour Whyte Construction</td>
<td>CEO and Managing Director</td>
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<td>Craig</td>
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<td>CEO Engineering &amp; Services</td>
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<td>Juan</td>
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<td>Hannah</td>
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<td>Richard</td>
<td>Sellers</td>
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<td>David</td>
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SAFETY STREAM

Safety on rural roads

Summary

Towards Zero refers to the long-term vision of each Australian state and territory that no one is seriously injured or killed as the result of a crash on our roads.

The Towards Zero road safety principles are also in place across most Australian states and territories. Many other countries and private companies have adopted the same principles (also known as Vision Zero). The four pillars of the strategy are:

- **Safe Roads**
- **Safe Speeds**
- **Safe Vehicles**
- **Safe People**

In Australia, death rates on country roads are four times higher than on metropolitan roads. Nearly half of all road fatalities happen on 100 and 110km/h rural roads, killing a disproportionate number of country people. Two out of three people killed or seriously injured on country roads are country people. 1

It is clear that a focus on rural roads is fundamentally important to RA’s Safety Policy Stream work, however the role of RA (taking into account the activities of governments and other organisations, as well as RA’s resource constraints) requires consideration in order to optimise value.

CEO workshop outcomes

- Industry expertise in roads and road construction can be shared with government in regards to how to optimise safety outcomes.
- Raise awareness amongst membership and more broadly by sharing members’ safety activities and successes.
- Improve recognition that RA members are also directly impacted and engaged as an employer of workforces travelling on and between rural roads.
- Supporting the efforts of and partnering with other road safety organisations and agencies is the appropriate model for RA.
- Encourage and support funding for road safety.

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CEOs noted that statistics show that government-led road safety campaigns were no longer making a significant impact. They recognised that road safety campaigns have an important role to play but continually need to be refreshed, especially when they are dependent on a shock factor. They agreed on the need to explore new ways of engaging the public on road safety to increase impact, engagement and create behavioural change. Suggestions included virtual reality experiences and more in-school training.

Infrastructure has made a difference, most notably wire barriers, in reducing the death toll. This is an investment for which RA can promote and encourage additional funding.

It was understood that technology has a growing role to play in improved road safety outcomes. Especially applicable to rural roads, technology solutions can help keep drivers within speed limits and provide instant feedback on driver performance. There is a need to foster the uptake of technology-based road safety solutions, including individual customer-driven technologies.

A key area to improve road safety through technology advancements is through vehicles and the CEOs noted the opportunity for governments to mandate which new technology should be included in electric vehicles (EV’s) through the Australian Design Rules. It was agreed safety design rules should be approached holistically, including behaviours, infrastructure and vehicle and non-vehicle technology.

Conclusions and Recommendations

1. RA’s role is to promote best practice in the industry.
2. Public road safety campaigns have an important role to play but continually need to be refreshed.
3. RA encourages government investment in infrastructure that has made a difference in reducing the death toll, most notably wire barriers.
4. There is a need to foster the uptake of technology-based road safety solutions, including individual customer-driven technologies.
5. Safety design rules should be approached holistically, including behaviours, infrastructure, and vehicle and non-vehicle technology.
Summary

In 2018 the Australian Government undertook a series of roundtables with industry to get a better understanding of these issues in the context of its (then) $75 billion decade-long infrastructure investment pipeline. The key take-out in the ensuing report was as follows:

The consequence of current, non-collaborative procurement approaches is that government is currently not maximising industry participation and competition in construction procurement. Through the use of prescriptive and increasingly complex contractual approaches, there has seen an unsustainable transfer of risk to the private sector (from head contracting Tier 1s, cascading through to lower tiers), impacting on broader industry profitability and its ability to invest in capacity and capability. Current processes and outcomes are not being adequately benchmarked and there appears to be little consequence for high or low contractual performance. 

By assuming all of the procurement expertise lies with the government client and most of the risk should be borne by the commercial sector, a fixed approach to procurement hinders innovation and the ability for firms to bring their national and international expertise to the table.

A more collaborative and mutually beneficial approach to major projects requires more time and strategic effort in the pre-tender stage, ideally by selecting a small number of preferred tenderers who have some portion of their bid costs met by the client. A better balance of resources, and appropriate time allocation to engineering and design resources versus a pure delivery cost focus, delivers better outcomes - with all sides working to the common objective of reducing the cost of tendering and bidding.

This preferred approach was the basis for the NSW 10-point plan, which informed the national high-level principles endorsed by the COAG Transport and Infrastructure Council in November 2018:

1. Collaborative-based approaches to procurement, project management and risk allocation promotes safer and more productive delivery.
2. Undertaking best practice on bidding, contracting and procurement streamlines processes and reduces costs.
3. Rewarding safety performance as well as improvements in security and timeliness of contract payments builds industry confidence and accountability.
4. Publication of the pipeline of projects stimulates industry preparedness and increases competition in bidders.
5. Joined up approaches for development and delivery of training maximises workforce participation.
6. Industry diversity, including greater female participation in the workforce, improves results.
7. Packaging procurement activities to match market appetite and capabilities maximises market responses and value for money.

Ministers committed to report back to Council in 12 months on actions taken by jurisdictions to support the high-level principles

CEO workshop outcomes

Industry leaders acknowledged the universality of the ‘8 P’s; Proper Prior Preparation and Planning Prevents Poor Procurement and Program Outcomes. They agreed that the roads industry needs to invest more time in preparation and planning – and stated their willingness to do this.

In accordance with state, COAG and CILF (Construction Industry Leaders Forum) stated principles, industry leaders agreed that the industry needs a transparent pipeline of work to have certainty to make business decisions, the industry cannot increase capacity without this. Part of this transparency is the early planning and sharing of project information. Put simply, the pipeline serves as the catalyst for reform and investment.

The CEO’s confirmed Roads Australia’s endorsement of the CILF ten-point plan including collaboration in contract and design, early bids on capped price with list of exclusions and early contractor involvement (ECI’s) /Alliances.

There was an agreement that risk allocation requires urgent review and, ideally, reform should move towards a greater sharing of project risk between industry and government.

Finally, an improved communication plan and review of contracts for alignment to the stated procurement principles would assist with the application of the principles in practice.

Conclusions and Recommendations

- The roads industry (public and private) needs to invest more time in preparation and planning – and has stated their willingness to do this.
- Industry needs a transparent pipeline of work to have certainty to make business decisions, the industry cannot increase capacity without this.
- Confirmed Roads Australia’s endorsement of the NSW government ten-point plan (and these principles nationally) including collaboration in contract and design, early bids on capped price with list of exclusions and early contractor involvement (ECI’s) / Alliances.
- Risk allocation requires urgent review and, ideally, reform should move towards a greater sharing of project risk between industry and government.
- An improved communication plan and review of contracts for alignment to the stated procurement principles would assist with the application of the principles in practice.
TRANSPORT REFORM STREAM

Road reform

Summary

Australia’s road construction industry and funding authorities face challenges into the future due to a decline in revenue from fuel excise. This is due to greater fuel efficiency in vehicles, road users making decisions to drive less, and the rise of electric vehicles.

The Competition Policy (Harper) review in 2015, recommended the introduction of cost reflective road pricing with the aid of new technologies, with pricing subject to independent oversight and revenues used for road construction, maintenance and safety. Since then three major studies have taken place on road user charging, which have found that this issue should also be seen as an opportunity to improve road service provision.

A recent Infrastructure Victoria response to the Transparent Network Pricing Community Panel found “there is strong support from the community panel for undertaking a real-world trial of transport network pricing” 1

A recent Infrastructure Partnerships Australia (2018) report:

• Recommended that all EVs and other zero emission vehicles sold in Australia should fall under a new distance-based road user charging mechanism, ensuring EV users continue to make a fair contribution towards the provision and maintenance of transport infrastructure.

• Supported broader, whole-of-market road reform required over the medium term.

• Advocated for all upfront disincentives to purchasing an EV (including Luxury Car Tax and vehicle import duties) to be reduced to zero. Furthermore, in consultation with industry and consumers, government should develop a national strategy to coordinate the transition to EVs.

CEO workshop outcomes

Industry leaders noted that Transport Reform should be seen within a broad context. Leaders endorsed RA’s strategic plan description of the role of the Transport Reform stream to influence public and private sector policy positioning on nationally significant transport innovation and reform options and solutions to improve customer outcomes and productivity.

In this light, it was agreed that road pricing should be seen as an area significantly impacted by technology driven change occurring across the transport sector. Customer driven personalised and private market-driven transport solutions will be the key drivers of road reform and ultimately inform road pricing.

As the industry develops, participants considered that the emphasis on private car ownership will decline and connected and automated vehicles (CAVs) will become the new ‘public’ transport with a personalised service for point to point transport with publicly. Industry leaders noted this could provide a refocus of public transport funding to promote investment in CAV infrastructure. The end game is about personalised transport and the market will determine the pricing.

Industry leaders concluded that RA should have an active role in promoting transport reform nationally. They noted that RA’s national focus allows for sharing of ideas and solutions, encouraging harmonisation where possible. They further noted RA’s capacity to encourage engagement with ideas as the RA brand provides credibility and is known for not having vested interests.

Industry leaders noted that RA is all about the users. RA can concentrate its efforts in transport reform to promote consumer perspectives to ensure transport users have the transport solutions they want. Key areas of RA focus for this stream should include: Adaption and incremental use of technology; importing ideas; identifying transport corridors for further studies; and planning the network focus between government and industry.

Recognising that the scope of RA’s efforts is dependent on resources and that RA has not pursued these types of projects previously, the group proposed the following for consideration pending funding:

- RA could focus on small projects in mobility, last mile and safety barriers.
- Government could allocate resources to RA to progress and lead collaborative transport reform projects, including by seconding staff to RA.
- RA could facilitate live trials of road pricing reform options with industry providing the technology and resources.
  - RA role would be coordination only (recognising the policy principle that government should lead this area).
- RA could establish an awards night for projects based on each policy stream. Nominations could be sought from the RA Board.

**Conclusions and Recommendations**

1. Endorsed RA’s strategic plan description of role of the Transport Reform stream to influence public and private sector policy positioning on nationally significant transport innovation and reform options and solutions to improve customer outcomes and productivity.

2. The end game is about personalised transport and the market will determine the pricing.

3. RA can concentrate its efforts in transport reform to promote consumer perspectives to ensure transport users have the transport solutions they want. Key areas of RA focus for this stream should include: Adaption and incremental use of technology; importing ideas; identifying transport corridors for further studies; and planning the network focus between government and industry.

4. Proposed four projects to be considered for additional funding and delivery.
Summary

Our cities are experiencing significant population growth and it is important that governments invest in public transport in response. Over the next 30 years, Australia’s population is expected to grow by over 11 million people, and close to 80% of this growth will be located in our five largest cities: Sydney, Melbourne, Brisbane, Perth and Adelaide.

Population growth inevitably means more pressure is placed on our transport networks and, while there is no single solution to congestion, public transport is an important part of the answer. Infrastructure Australia’s recent report Future Cities: Planning for our growing population modelled land use scenarios for Sydney and Melbourne to 2046. It found that under all scenarios, for both cities, congestion on our roads will get worse over the next 30 years. This means more time spent on congested roads and a decline in job accessibility for drivers. In contrast, job accessibility by public transport was projected to increase by 2046, showing that, in general, mass transit will become increasingly suited to the transport task as our cities grow in population and density.

- Investing in public transport is crucial, particularly for fast-growing cities. An efficient public transport network is vital in ensuring people have access to jobs, social infrastructure and leisure activities. As our cities grow, public transport will play an increasingly important role.
- Public transport is very expensive to build and also requires indefinite operating subsidies. It is important governments complement increased investment with better planning and efficient use of existing assets.
- Providing public transport in outer suburbs is particularly challenging. Outer urban areas can be difficult environments for public transport because they are generally lower density and have fewer, smaller and more dispersed employment centres. As a result, ridership is likely to be lower than other parts of the city, as well as cost recovery.
- Outer urban public transport can become caught in a cycle of poor financial performance and service levels. Public transport in lower-density suburbs often falls into a vicious cycle, where existing services are poorly patronised, so governments are reluctant to spend more money on new infrastructure or service upgrades. In turn, this leads to poor service levels and performance, which further deteriorates ridership and cost recovery.
- In 2017 Infrastructure Australia recommended that Governments should adopt a default position of exposing public transport services to contestable supply though franchising. “Private operation of franchises – where providers compete to deliver services – is a proven model both in Australia and overseas in raising service quality and value for money for customers. It should be the default option for public transport provision with capital city bus and rail services as immediate candidates or franchising.”

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The CEO workshop participants considered that long term planning for public transport is key. Australia has exceeded population growth forecasts continuously, so our operating model should take into account population growth based on trends not forecasts. As a user-based system we recognise that people will make their own decisions about where to live and their preferred modes of transport, both of which have combined to exceed population and transport usage forecasts in the past. With this in mind, we propose that contingency plans, such as exceeding forecasts by 10 or 20 percent, should be incorporated in all transport planning.

From a user perspective we need to provide a mobility as a service (MaaS) integrated transport system that positions most Australians within 10 minutes of reliable public transport. This requires integrated transport solutions, for example when building train stations, having a car park within the infrastructure greatly improves public transport utilisation. Land value capture is critical and works well in Europe.

Integrated long-term planning including land use is needed. While central business district (CBD) transport planning generally works well, in Australia the creation of ‘transport hubs’ in suburbs requires more early planning and policy attention to succeed. The introduction of connected and automated vehicles (CAVs) also needs early planning to support uptake of this new technology and the benefits it provides.

Much of the congestion on our roads is caused by a public transport system that is not sufficiently reliable to encourage people to abandon their cars. However, industry leaders considered there is no need to de-incentivise car use, the focus should instead be on improving public transport to increase uptake (as evidenced by the Japan experience.)

Ultimately, the industry leaders considered RA is effectively playing its role in providing a forum for the development of policy and active promotion of the renewal and expansion of mass public transport systems. It was considered that there was scope to deliver more cross-stream activities in this area to broaden the discussion and offer thought-leadership to government and industry.
Conclusions and Recommendations

1. Long term planning for public transport is key.

2. Australia has exceeded population growth forecasts continuously, so our operating model should take into account population growth based on trends not forecasts.

3. Contingency plans, such as exceeding forecasts by 10 or 20 percent, should be incorporated in all transport planning.

4. We need to provide a mobility as a service (MaaS) integrated transport system that positions most Australians within 10 minutes of reliable public transport.

5. Integrated long-term planning including land use is needed.

6. The creation of ‘transport hubs’ in suburbs requires more early planning and policy attention to succeed.

7. The introduction of CAVs also needs early planning to support uptake of this new technology and the benefits it provides.

8. There is no need to de-incentivise car use, the focus should instead be on improving public transport to increase uptake.

9. RA is effectively playing its role in providing a forum for the development of policy and active promotion of the renewal and expansion of mass public transport systems.

10. It was considered that there is scope to deliver more cross-stream activities in this area to broaden the discussion and offer thought-leadership to government and industry.
**Summary**

‘Infrastructure Sustainability’ (IS) can be defined as; *infrastructure that is designed, constructed and operated to optimise environmental, social and economic outcomes over the long term.*

With infrastructure being responsible for more than half of Australia’s greenhouse gas emissions and one of the largest employers in Australia, the opportunity to make a positive impact for people and the planet is monumental. We know that sustainable infrastructure connects societal and ecological communities, enhances economic productivity and inclusivity, as well as enables our transition to a low carbon economy. The infrastructure industry is a critical driver in helping Australia to reach its United Nations Sustainable Development Goals (UN SDGs).

The IS Rating Scheme is Australia’s (and New Zealand’s) only comprehensive rating system for evaluating sustainability across the planning, design, construction and operational phases of infrastructure programs, projects, networks and assets. IS evaluates the sustainability performance of the quadruple bottom line (Governance, Economic, Environmental and Social) of infrastructure development.

The IS rating scheme aims to:

- Provide a common national language for sustainability in infrastructure.
- Provide a framework for consistent application and evaluation of sustainability in tendering processes.
- Help in scoping whole-of-life sustainability risks for projects and assets, enabling smarter solutions that reduce risks and costs.
- Foster efficiency and waste reduction, reducing costs.
- Foster innovation and continuous improvement in the sustainability outcomes from infrastructure.
- Build an organisation’s credentials and reputation in its approach to sustainability outcomes.

The IS Rating Tool was developed by ISCA in collaboration with industry, to drive and measure sustainability within infrastructure projects and assets. The tool can be applied to built infrastructure, but also to the planning, design and operation of infrastructure.

As well as the opportunity to use IS for the purpose of gaining project recognition, it also provides a framework for increased awareness of key sustainability issues and a structure for organisational improvement. In developing IS, it was intended to not only improve project performance, but to align the mindsets of designers, project owners, and decision-makers, to transform the way infrastructure is planned, designed, built, and operated.

1 www.isca.org.au
CEO workshop outcomes

The CEO workshop participants agreed that RA has a unique opportunity to tell a jobs and sustainability story. We can tell a values-led story that involves innovation and communities, and positively impacts attraction and retention of people to our industry. We acknowledge that despite the fact that our sustainability story is a great one, we are remiss in not sharing it sufficiently at present.

It was agreed that the Infrastructure Sustainability Council of Australia (ISCA) generally does good work in embedding sustainability into infrastructure projects and the ISCA rating scheme plays a positive role in the industry’s sustainability story. While we acknowledge that there is a need for continuous improvement in this space, the industry leaders agreed that RA should consider promoting the ISCA rating scheme while also encouraging it to be more holistic and to raise public awareness of its sustainability value and outcomes (case studies).

The industry leaders noted that sustainability awareness-raising of the public (and some parts of industry) is required and RA should encourage government, industry and ISCA to lead the telling of these stories, as well as play a part ourselves. This should include real-life case studies, cost implications, community pride and engagement and corporate social responsibility in action.

Ultimately the leaders considered that sustainability should be considered similar to safety; we should do it because it is the right thing to do.

Conclusions and Recommendations

1. The CEO workshop participants agreed that RA has a unique opportunity to tell a jobs and sustainability story.

2. Sustainability presents us with a values-led story that involves innovation and communities, and positively impacts attraction and retention of people to our industry.

3. Agreed that RA should consider promoting the ISCA rating scheme while also encouraging it to be more holistic and to raise public awareness of its sustainability value and outcomes (case studies).

4. Sustainability awareness-raising of the public (and some parts of industry) is required and RA should encourage government, industry and ISCA to lead the telling of these stories, as well as play a part ourselves. This should include real-life case studies, cost implications, community pride and engagement and corporate social responsibility in action.

5. Sustainability should be considered similar to safety; we should do it because it is the right thing to do.