



AUSTRALIAN FLEXIBLE PAVEMENT ASSOCIATION

**Standing Committee on Regional Development,
Infrastructure and Transport**

**Inquiry into local government sustainability
2024**

ABOUT AfPA

The Australian Flexible Pavement Association (AfPA) is the peak industry body that represents the \$27 billion flexible pavements industry, delivering safe and sustainable outcomes to benefit communities across Australia.

For over 50 years, AfPA has brought together our dynamic and multifaceted industry that is responsible for the design, specification, manufacture, construction, and maintenance of all forms of bituminous flexible pavements.

AfPA's members constitute a diverse array of professional organisations that support the industry and are passionately committed to advancing flexible pavement technology for the benefit of the road user and the broader community.

AfPA members include bitumen suppliers, asphalt producers, sprayed surface operators, major consultancies, suppliers (such as equipment providers, line markers and profiler contractors), all Government Road Authorities, and many Local Governments from across Australia.

AfPA's vision embodies three key objectives:

- to support industry be healthy, safe, innovative, and adaptive to change, acting as a platform for industry sustainability,
- to support the national harmonisation of best industry practices, promoting the benefits of the flexible pavements,
- to drive a national culture of continuous improvement.

AfPA welcomes the opportunity to make a submission to the Federal Government's Standing Committee on Regional Development, Infrastructure and Transport. We are firmly committed to working with all levels of Government towards building a stronger infrastructure future to support the current and future needs of our nation.

FLEXIBLE PAVEMENT INDUSTRY SNAPSHOT

Australia's roads are the critical infrastructure that logistically connects us and ensures all aspects of our basic functionality as a society. Across all aspects of our day-to-day lives, roads bring us together, facilitating all functions of our social fabric and economic activities. Their ongoing viability, level of service and safety are entirely dependent on the significant contributions of all levels of Government, and particularly local governments, to new projects and the maintenance of the existing network, and equally, a skilled, competent workforce to deliver on these commitments.

Australian councils are responsible for more than three quarters (77 per cent) of Australia's roads by length, managing almost 680,000km of local roads while collecting less than four per cent of taxation, according to the Australian Local Government Association. Important is to ensure that local governments in Australia effectively manage their finances to maintain essential services and infrastructure, which is crucial for the functioning of our society.

Research conducted by the independent think tank, the Grattan Institute, highlighted the urgent need for Australia to commit an annual increase of \$1 billion in federal funding to address the critical state of the nation's local road infrastructure. This, coupled with the Government's Infrastructure Policy Statement and its decision to revert to a 50:50 shared investment agreement between states and the federal government last year, imposed additional strains and burdens on state territories.

This matter is of great importance to consider in the Government's budgeting, particularly at a time when worker shortage as well as the rise of living and material costs all interplay in the infrastructure urgently needed to provide for Australian communities.

AfPA nonetheless commends the Federal Government's ongoing infrastructure investment and its recent commitment to significantly boost funding for the Roads to Recovery Program – doubling investment from \$500 million to \$1 billion over the next few years. These changes by the Federal Government show a significant commitment to maintaining our most valuable asset, our roads, and most importantly, seeking to improve the safety of our roads.

We welcome the announcement from the Albanese Labor Government regarding an investment of over \$45 million into bridge and road safety upgrades across Australia, reaching 19 high-priority projects across regional and rural areas. The investment to be split into both the Bridges Renewal Program (BRP) and the Heavy Vehicle Safety and the Productivity Program (HVSPP) marks a significant step toward ensuring that road safety keeps pace with rapid population growth in regional Australia.

Our industry members note the importance of the Australian Government to prioritise the safety, sustainability, and seamless connectivity of the nation's rural and regional road network. There is an ongoing, urgent need to bridge the road maintenance service gaps and failures that disproportionately affect regional and remote communities.



Importantly, we also welcome the Government's focus on road safety as an issue that statistically disproportionately affects regional and rural road users. Well-developed road infrastructure is crucial for the future growth of industries such as agriculture, tourism, and the clean energy sector in our regions nationally.

Continued and consistent investments serve to connect communities, support jobs and help push the industry's performance to record levels. The road and bridge construction industry, in particular, heavily depends on ongoing public funding through local governments and urgently requires a commitment to existing infrastructure maintenance and renewal.

COLLABORATION WITH GOVERNMENT

Industry and local communities seek to work closely with the Federal Government, and times in collaboration with local Governments, to help create maximum value from investment. This will foster long-term resilience, productivity and competitiveness. In order to do this, we urgently seek to attract new entrants to our industry and ensure that they are suitably skilled to deliver on this critical infrastructure.

AfPA welcomes the opportunity for continued collaboration with the Committee to facilitate the development of industry-driven solutions finely tuned to address local requirements. This partnership is especially crucial in the aftermath of biosecurity and weather-related challenges, where our collective focus must be on rebuilding and revitalising local economies. By working hand in hand, we can effectively bolster long-term resilience, enhance productivity, and bolster competitiveness, ensuring that communities thrive in the face of adversity.

Urgent efforts to attract new entrants to the industry and ensure their suitability and skill in delivering critical infrastructure are vital and require local governments to establish the foundational framework for road needs and infrastructure investment.

To address these issues, AfPA recommends the Committee to:

- Ensure consistent collaboration and communication between all levels of government, including local governments, to establish the foundation upon which road needs and infrastructure investment are managed.

‘FIX-IT FIRST’ – ADDRESSING ROAD MAINTENANCE FUNDING

AfPA’s key ask of the Committee, in consideration of federal collaboration with local governments, is for longer-term funding commitments and better coordination to ensure the best outcomes for Australian communities and value for money.

Australia needs more sustainable, longer-term pipelines of investment, with a focus on fixing it first. This means the Federal Government allocating local Governments more spending for longer periods of time – particularly toward road maintenance to ensure communities are safely and reliably connected.

The 2021 State of the Assets report estimates that 8% of sealed roads and 14% of unsealed roads are in poor condition, function and capacity and are close to reaching the end of their useful life. With a total replacement cost of \$204bn, these figures highlight the critical need for a healthy, sustainable pipeline of maintenance across the nation.

In addition, data from the Australian Local Government Association and Australian Road Research Board (ARRB) in 2022 reported that roads controlled by 537 councils had suffered more than \$3.8 billion in damage.

This is undeniably an urgent issue that has the potential to endanger lives and hurt the nation’s economic potential. A commitment to maintaining these roads to the highest standards and shrinking funding shortfalls will enable local roads to continue to generate thriving communities.

There will need to be consistent and sustainable funding, which can be handled by local governments. In fact, the Grattan Institute has recommended increasing federal Financial Assistance Grants to councils by \$600 million per year, as well as Roads to Recovery funding by \$400 million per year, with both federal programs to be indexed annually.

Regional and remote communities continue to be disproportionately affected by road maintenance funding shortfalls and asset failures. As the vital lifeline between some communities and urgent healthcare, critical supplies and much more, roads are of the highest level of strategic importance in remote regions.

We welcome the Government’s latest commitment of more than \$4 billion over the next decade to repair damaged roads, particularly in regional Australia. However, we’d like to highlight the decision to withhold this funding until July 2024 will place a further strain on the already growing deterioration of road assets cause by funding short falls compounded by increasingly frequent and volatile weather events.

Unfortunately, 1286 people have died on Australian roads in the 12-month period ending on February 29, 2024, with rural, regional and remote areas accounting much for this figure in fatalities. We call on the Government to continue investing in safer local roads and managed by local government, especially outside of our major capital cities, which will help reduce this unacceptably high national road toll. Nationwide there have been 109 road-related fatalities for the 12 months up to the end of March 2024. Hospitalised injuries through 2021, includes 39,505 individuals nationally.

The most rapid stimulus package that can be implemented is to urgently address the transport infrastructure maintenance funding shortfall, creating jobs, enhancing resilience, promoting the use of renewable materials and improving road safety.

To address these issues, AfPA recommends the Committee to:

- Continue to support and nurture rural and regional communities, which continue to be disproportionately affected by road maintenance funding shortfalls and damage.
- Work toward addressing the high proportion of sealed roads and unsealed roads that are in poor condition, function and capacity and close to reaching the end of their useful life.
- Focus on sustainable pipelines of road maintenance and innovative repair methods to protect Australia’s assets against weather instability.

SUSTAINABILITY

AfPA through its members, commits to reducing its carbon footprint, embedding circular economy practices and driving sustainable operations to ensure that our industry achieves its stated 2030 and 2050 targets.

Achieving 2030 and 2050 goals will rely on a 'whole of industry' approach, where incremental and strategic improvements in operations will collectively contribute to our greenhouse gas reductions. Furthermore, we will need to leverage existing technology, accelerate innovation, engage with our upstream and downstream stakeholders to incentivise the adoption of sustainability and utilise wider government initiatives to deliver broader technological advancements across other sectors that will contribute to reducing our impact/contributions to emissions.

AfPA's goal is to translate low carbon and circular economy principles into delivered practical outcomes. Examples of direct actions to be embraced by the AfPA members are included below:

- The Australian asphalt industry is a leader in the reuse and recycling of materials and is continually advancing the use of Reclaimed Asphalt Pavement (RAP), which is 100% reusable as asphalt, reducing waste and the need to disturb the natural environment in pursuit of new raw materials. Importantly the bitumen recovered in this process is "free", improving cost effectiveness of our assets and reducing the need for importation of this crude oil derivative.
- Industry can reduce asphalt mixing temperatures by expanding the use of currently available technologies reducing GHG emissions, providing improved moisture control and other carbon lowering options.
- AfPA has introduced a world-first sustainability assessment framework for asphalt plants that will reduce direct GHG impact through mandated evaluation of operational efficiency and use of circular secondary materials, thereby continually raising industry standards.
- Progressing sustainable energy supply options through selecting renewable energy sources for fuel required/used across fixed and mobile plant operations and offices. Transition to renewable electricity for both on-site sources and external providers in support of net zero carbon electricity generation and consumption.
- Minimise our contribution to Scope 3 emissions by: Downstream we will work with pavement asset owners to embed a reduction in emissions across operations through procuring improved pavement solutions that result in increased quality and durability of pavement materials. Upstream we will progressively procure from and encourage/ incentivise suppliers to improve their products and services, such that the industry will have established net zero supply chains by 2050.
- Engage with asset owners and associated agencies to remove barriers to improvements by continually updating specifications, championing innovation and encouraging increased efficiency.
- Embed the uptake of alternative materials with lower carbon footprint options across specification and procurement processes through adoption of AfPA tools (SF4A, LCA Calc, PCR/EPD).

AfPA's key ask of the Committee is to ensure a federal long-term coordinated plan to address the declining network condition and level of service to our roads. AfPA advocates for sustainable funding of Australia's roads, which recognises the critical role of local governments in delivering infrastructure to support Australian communities.

We promote sustainability on three fronts including our people, the environment and the economy. We also advocate for the continual improvement in environmental sustainability that works towards circular economy practices. This includes our industry doing its part in addressing the use of renewable materials to control waste.

We emphasise the need for a long-term coordinated plan to address the declining condition of roads, ensuring value for money and the best outcomes. This requires a deeper understanding and prioritisation of local government financial sustainability and funding frameworks, considering their changing infrastructure requirements and service delivery obligations.

Local government sustainability is paramount in providing vital infrastructure and related services to Australian communities, especially in facilitating access to new industries like renewables. These emerging sectors require well-maintained roads for access and growth, underscoring the importance of sustainable funding to deliver infrastructure that meets the needs of both existing and evolving industries.

We champion the importance of environmental sustainability across the flexible pavement industry, and the opportunities to drive sustainability in road maintenance work. The need for Australia to shift to circular economy practices has never been clearer, and the flexible pavements industry is well positioned to do its part to ensure this sustainability objective is achieved.

We welcome the Federal Government's ambitious targets of Net Zero by 2050 and emission levels of 43% below 2005 levels by 2030. As such, AfPA is eager to collaborate with the Committee, the Federal Government and its departments to align the industry's circular and sustainable targets. Furthermore, we support federal funding through local governments to encourage circularity in maintenance, where road maintenance projects offer substantial environmental benefits compared to constructing new roads. By prioritising sustainable funding and maintenance of existing roads, we support local communities, contribute to reducing Australia's carbon footprint, and align with the needs of evolving industries.

Circularity in Maintenance

Road maintenance projects provide far greater environmental benefits as opposed to the construction of new roads and ultimately support the reduction of Australia's carbon footprint. This is achieved by encouraging the reuse of existing construction waste and other recycled materials like glass into maintenance road projects and is a practical way that industry is delivering on the circular economy. Far too often, the announcement of new projects and roads is deemed more favourable and attractive to governing authorities than the upkeep and service of existing ones on account of their constituents. AfPA contends that this approach doesn't result in the best outcome for all by not just leading to deteriorating road networks but also contributing to the use of excess materials and increasing waste.

Roads and the Environment

With the increase of natural disasters in recent years, the reliability of our road network across Australia, and specifically Federal, has proven essential in responding.

After these events, it is critical that road maintenance remains a priority for Federal Government funding and is channelled through local governments to ensure impacted roads are restored, and the road network can effectively respond to the next event. We can no longer have the Government apply a band-aid approach, but efficiently plan and utilise public funding to respond to climate variability.

To address these issues, AfPA recommends the Committee to:

- Ensure that the Government continues to support the industry in utilising renewable materials that have sound engineering properties that benefit and improve road performance to help address a growing national circular economy challenge.
- Encourage the Government, in its tendering specifications, to use recycled materials, particularly ensuring that there is consistency in the interpretation of requirements between policy and compliance.
- Encourage the Government continues to keep Australia's most crucial asset, its roads, at the forefront of resilience to natural disaster events, ensuring that the nation's roads continue to act as a crucial lifeline to all communities. This means adopting a routine, healthy pipeline of maintenance and upkeep work to ensure that full capacity is upheld year-round.
- Call for the extension and expansion of initiatives that work to address dangerous, poorly maintained roads that disproportionately affect rural communities. For regional communities, a well-maintained road is a safe road for all

ROADS SYNONYMOUS WITH SUSTAINABILITY - COLLABORATION WITH COUNCILS IN AUSTRALIA'S LARGEST RECYCLED RUBBER ASPHALT PROJECT

In an Australian first, AfPA partnered with industry bodies and 12 Sydney Metropolitan Councils in the largest crumbed rubber asphalt demonstration project in Australia. The Project represents a remarkable opportunity to transform Australia's road infrastructure while promoting sustainable waste management practices.

By introducing crumb rubber, derived from recycled tyres, into the bitumen used for road construction, the project aims to achieve remarkable improvements in road longevity, reduced maintenance costs, and a significant contribution to environmental sustainability. This approach not only enhances the performance and durability of roads but also fosters responsible waste management by repurposing discarded tyres that would otherwise end up in landfills.

The project's implementation is a collaborative effort, involving key stakeholders such as AfPA, Tyre Stewardship Australia, Boral, and the Southern Sydney Regional Organisation of Councils (SSROC). This partnership ensures a diverse range of expertise, resources, and perspectives are brought together to support the successful execution of the project.

In terms of material provisions, the initiative will deliver 2000 tonnes of sustainable pavement material, created through the incorporation of crumb rubber, and an additional 1200 tonnes of controlled asphalt mix. These materials will be skilfully applied across various local Sydney council streets, serving as tangible evidence of the project's viability and impact.

The involvement of 12 Sydney Metropolitan Councils, including Bayside Council (NSW), Burwood Council, City of Canada Bay, City of Canterbury Bankstown, City of Sydney, Georges River Council, Inner West Council, Randwick City Council, Sutherland Shire Council, Waverley Council, Woollahra Municipal Council, and Northern Beaches Council, showcases the broad geographic reach and potential scalability of this initiative. Each participating council demonstrates a shared commitment to sustainable development and recognises the immense benefits of integrating crumbed rubber asphalt into their road construction practices.

AfPA strongly urges the Committee to consider the significance of this project and its alignment with its infrastructure objectives. By providing support and funding, the government can help drive further research, development, and scaling of crumbed rubber asphalt technology, enabling its adoption on a broader scale. Incorporating this innovation into the national infrastructure investment agenda will reinforce Australia's commitment to sustainable, credible, and nation-building practices while delivering substantial benefits to our communities and the environment.

AfPA recommends the Committee to:

- Strengthen the strategic alliance between Government, and industry, focusing not only on consistent expenditure on the existing and planned road network but also on sustainable road infrastructure. This strategic collaboration will yield:
 - Improved Road Longevity: Integrating crumb rubber into bitumen enhances road durability and extends the lifespan of road infrastructure. This translates to reduced maintenance requirements and costs, leading to long-term savings for local councils and the government.
 - Cost Reduction: By incorporating crumb rubber, a recycled material sourced from discarded tyres, projects rely less on costly virgin materials. This cost-effective solution provides a sustainable alternative while maintaining the quality and performance of road infrastructure.
 - Promotion of Environmental Sustainability: By integrating crumb rubber into road construction, the project significantly diminishes the environmental impact associated with tyre disposal and contributes to a more circular economy.

SUSTAINABILITY FRAMEWORK FOR PAVEMENT (SF4P)

AfPA, recently launched its *Sustainability Framework for Pavement (SF4P)*, ready to accept registrations for assessment. The framework is set to enable Road Authorities and stakeholders to achieve best practice standards, meet key sustainable procurement metrics and encourage a more sustainable, flexible pavements industry.

The sustainability framework has been developed through extensive consultation with industry and is based on circular economy concepts, including Life Cycle Assessment (LCA) approaches. It encourages stakeholders to consider the UN Sustainability Development Goals (SDGs) and recognises the industry's role in Australia's waste reduction and energy efficiency requirements.

AfPA has encouraged procurement agencies and relevant industry bodies to adopt the SF4P and register to begin setting quantifiable metrics and benchmarks for the reduction of negative environmental impacts associated with asphalt production and operations as part of their normal tendering processes.

This implementation will not only ensure best practice sustainability standards and metrics embedded into procurement but will also recognise the industry's role in helping to reduce waste and contribute toward Australia's emissions reduction targets.

AfPA urges procurement agencies and relevant industry bodies in the Federal Government to adopt the SF4P and register for assessments. Doing so will initiate the establishment of quantifiable metrics and benchmarks within the tendering processes, specifically targeting the reduction of negative environmental impacts associated with asphalt production and operations.

AfPA encourages procurement agencies to adopt the SF4P to set quantifiable metrics and benchmarks for the reduction in environmental impacts (e.g., greenhouse gases, energy, waste, etc.) associated with asphalt production and operations as part of their normal tendering processes.

By integrating this framework into normal procurement procedures, the Federal Government can not only ensure the adoption of best practice sustainability standards and metrics but also acknowledge and address the industry's vital role in reducing waste and contributing to Australia's emissions reduction targets. This proactive implementation aligns with the broader national and international sustainability goals, positioning Australia as a leader in environmentally conscious infrastructure development.

The Framework for Asphalt Production has demonstrated that it is possible to assist procurers of asphalt solutions to select from organisations demonstrating sustainable production processes leading to reductions in energy use and greenhouse gas emissions and maximising the use of RAP and other secondary materials (i.e., suitable "waste" products such as glass cullet, crumb rubber, plastics). It is envisaged that in adopting the framework, procurement agencies will be able to uniformly and transparently evaluate and select from suppliers who demonstrate a willingness to invest in their infrastructure and technology to deliver these services more efficiently and to reward where more sustainable options exist, such as incorporation of suitable 'waste' products within accepted solutions.

By incorporating this framework into standard procurement procedures, industries adopting the framework nationally can not only guarantee the embrace of best practice sustainability standards and metrics but also recognise and address the industry's crucial role in waste reduction and contributing to Australia's emissions reduction targets. This proactive implementation aligns with broader national and international sustainability goals, positioning Australia as a leader in environmentally conscious infrastructure development.

We, therefore, **call on the Committee to consider the integration of this framework into its policies and practices.**

ROAD SAFETY FUNDING

Road workers put themselves at risk to deliver the infrastructure Australian drivers and our community require to remain connected. These conditions come with inherent risks to the safety and well-being of our workforce. Beyond road workers, safety incidents on roads are a major concern to AfPA, where we continually witness an unacceptable number of lives lost each year.

AfPA's primary request to the Committee is for a federal allocation to local governments, supporting a long-term, coordinated plan to tackle the deteriorating condition and service levels of our roads. This necessitates sustained funding commitments and improved coordination of investments in the road network, ensuring optimal value for money and the realisation of best outcomes.

REDUCING FATALITIES ON OUR ROADS

Federal funding channelled through local governments is indispensable in mitigating the pressing issue of road fatalities in Australia. With a concerning 9.9% increase in fatalities in the recent 12-month period, urgent action is warranted. Such funding is pivotal for upgrading and maintaining road infrastructure, implementing crucial safety measures, and bolstering enforcement efforts through local law enforcement agencies.

Moreover, it facilitates the execution of educational campaigns to raise awareness about safe driving practices and supports data collection and analysis to inform evidence-based interventions. By fostering collaboration among stakeholders and supporting multifaceted strategies, federal funding empowers local governments to tackle road safety challenges comprehensively, aiming ultimately to reduce accidents and save lives on Australian roads.

Australia has a vast road network with almost 873,573 km, with the annual economic cost of road crashes estimated at *more than \$30 billion as per Monash University*.

AfPA's primary objective in the pursuit of health and safety improvement is to enable and support industry to continuously improve the health and safety of our people and community. AfPA supports local, state, and federal government initiatives that promote road safety and calls for continued funding of these lifesaving programs. AfPA is seeking to work together with allied stakeholders and all levels of Government to better understand and profile roadworker accidents and fatalities, and seek all levels of Government support accordingly.

To address these issues, AfPA recommends the Committee to:

- Encourage the Government to support reframing major transport project procurement to:
 - Separate investments in traffic management and safety from other bid costs (ensuring investments are not lowest cost- driven) and;
 - Ensure safety items are included in their schedule of rates based on on-site specific risk assessments.
- Revenue is to be directed back into road safety and road condition improvement projects that are linked to a vision of zero harm on the road network. This means allocating federal funding for:
 - Road widening strategy, with a focus on installing a wide centre line for enhanced safety, resilience and network connectivity.
 - Big clear zones, implemented through low-cost mass action, not only enhance road user safety during maintenance but also efficiently handle random incidents, ensuring smooth traffic flow and integrating adaptive design for continuous improvement.
- Continuing to build on current commitments to enforcing restricted speed limits using available speed enforcement measures, including point-to-point camera technology and mobile speed cameras in and around all road work sites to save lives. We support further trials and investigating legislative and regulatory barriers to the use of cameras in work sites.