



PRE-BUDGET SUBMISSION 2020-21

December 2019



Introduction

The AAA is the peak organisation for Australia's motoring clubs and their eight million members. The AAA advances the interests of its constituent motoring clubs as well as all road users across Australia to ensure transport is safe, sustainable and fair.

Australia's economy and quality of life rely on safe, efficient and affordable transport. But data suggests that our national land transport system has failed to keep up with growing demand and technological change, and our living standards are suffering as a result.¹

Transport costs are rising, our roads have never been more congested, and important road safety targets are being missed. Failure to address these issues will only magnify the harm being done.

The AAA has welcomed the Government's recent announcements bringing forward investments in transport infrastructure, including a commitment to spend \$100 billion over the next 10 years. However, without a detailed blueprint in place, the development and management of Australia's transport system is fragmented.

The AAA appreciates the nation faces fiscal challenges and resources are limited, therefore it is crucial that investment in our transport system be allocated intelligently to enhance road safety, the economy and quality of life.

The time is right for a strategic review of our land transport system: its performance; how it can better meet Australians' needs; and how its development, maintenance and management can best be funded in the long term. It's clear we need a comprehensive national review and discussion on land transport, which the AAA believes is best facilitated through the development of Land Transport White Paper.

Government must also recognise that motorists pay their own way and deserve a better return from their taxes. Over the forward estimates for the 2019-20 budget, motorists are expected to contribute \$55.9 billion in fuel excise alone. They also contribute revenue from duty and the luxury car tax. This sum more than covers the Government's planned investment of \$29.6 billion in land transport infrastructure over the same period.

A system under pressure

Australia's land transport system is increasingly under pressure and its performance is declining. Australian transport users are dealing with growing problems, including:

- road safety – deaths, injuries and economic costs
- transport affordability
- congestion
- longer commutes at slower speeds
- poor and unsafe regional transport networks
- overstressed public transport systems
- growing freight loads on already stressed roads
- a vast transport infrastructure backlog
- too many older cars on our roads – creating safety and emissions problems
- an emissions policy impasse, creating uncertainty for industry and consumers.

At the same time:

- Vehicle technology is changing, and the use of electric and automated vehicles is forecast to rise.
- The way people use the transport system is changing, with the emergence of ride sharing and mobility service apps affecting attitudes to public transport and car ownership.

Addressing these issues will require a comprehensive overhaul of Australia's land transport system – from how transport-related revenue is collected, to how the transport system is funded and managed.

The Australian Government can take several crucial steps to make the nation's roads safer and more efficient.

1. Develop a Land Transport White Paper

to address the challenges of the future.

2. Invest in priority transport projects

in every state and territory.

3. Improve road safety

by developing a national road safety data hub, assigning the Office of Road Safety a leadership role and genuine authority, linking federal infrastructure funding to road safety outcomes and encouraging the uptake of safer vehicles.

4. Reform transport funding

so it is fairer for motorists and provides sustainable government revenue.

5. Introduce real-world driving emissions

testing to give more accurate information about fuel consumption and emissions.

6. Implement a mandatory scheme for access to service and repair information

to support competition in the aftermarket industry and enhance consumer choice.

What Australians want from their land transport system

Australia's motoring clubs and their eight million members expect a land transport system that is:

- **SAFE**
- **FAIR**
- **EFFICIENT**
- **ENABLING A PRODUCTIVE ECONOMY.**

AAA-commissioned polling shows that front-of-mind issues for Australian voters include transport infrastructure (12 per cent) and cost of living (35 per cent).²

With transport costs rising faster than the rate of inflation, transport has become a major cost of living issue for many Australians.³

AAA commissioned research to ask road users which issues they considered to be very important or fairly important.

This research had several notable findings:⁴

- 85% of people think that the government should invest more in roads, road safety and public transport.
- Key transport concerns include safety (65 per cent), motoring costs (30 per cent), road conditions and maintenance (25 per cent) and congestion (19 per cent).
- Driving a car is still the most common form of transport for Australians and 38 per cent say their car is "extremely important" to them.
- 73 per cent of people think that the government should reinvest all of the revenue from fuel excise into transport (including safety, infrastructure and public transport).
- Nearly 20 per cent of city voters surveyed spend more than three hours a week in congested traffic, with 10 per cent spending more than six hours a week in congested traffic.
- Nearly a quarter of respondents use buses and trains at least once a week.

SAFETY

- 92 per cent identify road safety as a key concern.
- 89 per cent want more government investment in road projects to improve safety.

Fact: 1,209 people died on Australian roads in the 12 months to October 2019.⁵ This is worse than the same time five years ago, when there were 1,178 road deaths in the 12 months to October 2014.⁶ Under the National Road Safety Strategy, Australian governments agreed to reduce road deaths to less than 1,000 per year (a 30 per cent reduction on the pre-strategy baseline) by 2020. The Strategy expires next year and it is clear Australia will fall well short of its target.

Fact: 38,945 Australians were hospitalised due to traffic crashes in 2016. Concerningly, hospitalised injuries have actually increased in recent years.⁷ Despite the National Road Safety Strategy setting a target to reduce serious injuries by 30 per cent over the decade, Australia is still unable to measure serious injuries due to data discrepancies.

Fact: AAA-commissioned research found that road trauma costs the Australian economy almost \$30 billion annually.⁸

FAIRNESS

- 82 per cent are feeling transport cost pressures.
- 80 per cent want more fuel excise revenue spent on transport.

Fact: Australian transport costs are rising above the rate of inflation. This is increasing pressure on household budgets. The typical metropolitan household is now spending \$18,518 a year on transport costs.⁹

Fact: The Government expects to collect \$55.9 billion from motorists over the 2019-20 forward estimates from net fuel excise and a further \$3.7 billion from customs duty and luxury car tax. Only \$29.6 billion will be returned in the form of land transport infrastructure funding over this period.¹⁰

EFFICIENCY

- 83 per cent want congestion relief.
- 85 per cent want more government spending on infrastructure to reduce time spent in traffic.

Fact: the Australian Government estimated that the cost of congestion in our eight capital cities was \$16.5 billion for the 2015 financial year. Without major policy changes, congestion costs are predicted to reach between \$27.7 and \$37.3 billion by 2030.¹¹ This is about \$1,000 per person per year for each resident of our capital cities.

Fact: ACIL Allen found that congestion costs will exceed the value of road-related expenditure by the early 2020s and possibly as early as 2018-19.¹²

Fact: AAA research found that road performance is deteriorating across Australia's capital cities.¹³

SUPPORTING A PRODUCTIVE ECONOMY

- 91 per cent are concerned about the state of transport infrastructure and road conditions.

Fact: The Australia Government estimates it will collect \$59.6 billion in road-related charges from motorists over the next four years but is predicted to return only around half to land transport infrastructure.¹⁴ AAA-commissioned research in 2016 found that even if all surplus road-related revenue was directed to land transport infrastructure over the next five years, it would have been barely enough to build 10 out of 82 unfunded projects on the Infrastructure Australia Infrastructure Priority List.¹⁵

Australia needs a Land Transport White Paper

We need a strategic review of our land transport system: its performance; how it can better meet Australians' needs; and how its development, maintenance and management can best be funded in the long term.

A White Paper must:

1. Clearly set out the policy framework and the outcomes that the land transport system is expected to deliver over the next 10 to 20 years
2. Set out an agreed 10-year rolling infrastructure program
3. Define a pathway for structural reform of the nation's taxation and funding arrangements
4. Clarify and modernise state-federal infrastructure funding and project prioritisation arrangements
5. Identify and plan infrastructure investment to facilitate emerging mobility technology.

With neither a vision nor a blueprint in place, the development and management of Australia's transport system is fragmented and unfocused.

Every year our infrastructure backlog grows, congestion becomes worse, transport costs rise and safety is compromised.

But without a strategic plan that considers the inter-relationship of these various issues, it's easy to take a short-term, disjointed view and let important projects slip year after year.

A Transport White Paper is long overdue

Australia has not had a comprehensive blueprint for developing, maintaining, managing and funding its land transport system since the 2004 AusLink White Paper.

Since then, successive Australian Governments have developed White Papers on many topics – including tourism, defence, aviation, tax, energy (twice), foreign policy and northern Australia. Yet land transport – which is so central to our economy and our way of life – has slipped from view.

This has produced some regrettable consequences:

- There is no national recognition of the land transport system's critical role in Australia's economic wellbeing and the lives of Australian families.
- Transport programs have become increasingly fragmented because there is no overarching strategic direction for the national system.
- Policy gaps have emerged: key aspects of the transport system – such as road safety – do not receive the focus and funding needed to deliver real improvements.
- The transport system has not kept pace with technological change.
- Performance metrics have become less and less transparent to users and stakeholder groups, so there is no meaningful way to track how the system is performing.
- Transport taxes and charges have become out of date and disconnected from the transport system.
- Funding has become increasingly ad hoc and continues to lag behind revenue.

This is not a sustainable funding model.

How would a White Paper help?

Transport is critical to the nation's quality of life and economic well-being. A coordinated national approach to planning, managing and delivering the system would:

- formally recognise land transport's important role in determining our economic growth and quality of life, and increase the Government's focus on this crucial sector
- set a strategic national framework around land transport policy and infrastructure, ensuring that all investment delivers value to transport users
- provide a formal mechanism for the Government to set and measure performance, and to hold states and territories accountable for ensuring that federal funding is tied to agreed outcomes
- establish a formal mechanism for long-term infrastructure programming and planning including infrastructure upgrades and investment to support emerging technology
- be the catalyst for structural reform of federal funding of land transport to deliver long-term sustainability.

In the 15 years since the release of the Auslink White Paper, the nation's population has grown by 25 per cent and transport technology and consumer demands have both changed dramatically. The pace of change will continue to accelerate.

A Land Transport White Paper will guide the intelligent and strategic development of a transport system fit for the 21st Century and best use of taxpayers' money.





Motorists bring their own money to the table. Over the next four years, Australians will pay over **\$55 billion** in fuel excise alone.

It is fitting that a large part of that revenue is invested back into new, safer and improved roads, as well as more and reliable public transport options.

Invest in priority transport projects

A White Paper cannot be finalised quickly. But Australians can't afford to wait until then for Government to undertake priority improvements.

Pending the development of a White Paper, the AAA calls on the Australian Government to deliver on increased near-term investment in land transport projects, policies and programs that will enhance safety and efficiency.

The 2019 Federal Budget delivered a much-needed \$29.6 billion "investment injection" for transport infrastructure over the next four years – which represents a \$7.6 billion increase compared to the previous year's budget forecasts.¹⁶

It is crucial that in providing federal infrastructure funding for these projects, the Australian Government insists on accountability for responsible use of this funding. This would include reporting and monitoring of post-construction road safety performance.

Road project proposals must demonstrate safety benefits that have been quantified by agreed standards.

States and territories that fulfil their National Road Safety Strategy reporting and compliance obligations should receive incentive payments.

It is important to note that motorists more than pay their way. Australians currently pay 41.6 cents in fuel excise for every litre of petrol and diesel, but in recent years most of this money has not been allocated to maintaining and upgrading our transport network.

Over the forward estimates, the percentage of net fuel excise returned to land transport infrastructure will be 53 per cent, with a peak of 60 per cent in 2022-23.¹⁷

This is a vast improvement from the previous year's budget where only 40% of fuel excise was budgeted to be returned over the four years; and was forecast to drop to just 32% in 2021-23.

Australia's motoring clubs have identified a priority list of road and transport infrastructure projects in every state and territory that require urgent attention.

Project Location/ Name	Project Description	Estimated Cost
NEW SOUTH WALES		
M1 Motorway extensions	SouthConnex Corridor (M1 Princes Motorway extension) and road upgrades to Sydney Airport and Port Botany.	\$10,000M
	M1 Pacific Motorway extension to Raymond Terrace.	\$4,000M
Local Council Road Maintenance Backlog	Increase Roads to Recovery Funding to address local road funding shortfalls.	\$2,300M
Northern Beaches Transport Corridor	Western Harbour Tunnel: Third road crossing Rozelle (north extension node of Westconnex) across Sydney Harbour to North Sydney. Northern Beaches Link: Potential road, bus and rail options to improve connection to the Northern Beaches.	\$8,000M
Regional Highway Upgrade Package	Newell, Mitchell, Great Western, Barton & Kings Highway upgrades - major safety upgrades including duplication, overtaking lanes bypasses, flood mitigation on the Newell Highway and other safety enhancements.	\$8,000M
Passenger Rail Upgrades	Western Line Rail Capacity Improvements: Connectivity between Parramatta and Sydney CBD, Access to Western Sydney Airport.	\$7,500M
	Sydney Metro: Rail connections from Chatswood to Bankstown and possible extensions to South West Sydney.	\$8,000M
	Newcastle – Sydney and Wollongong rail line upgrades: Rail connections between Newcastle, Wollongong and Sydney CBD.	\$5,000M
Total (Millions \$)		\$52,800M

Project Location/ Name	Project Description	Estimated Cost
AUSTRALIAN CAPITAL TERRITORY		
Canberra Public Transport	Improve public transport capacity - Indicative Bus Transit Corridors Canberra CBD to Belconnen and Capital Hill to Queanbeyan.	TBA
Canberra Metro Stage 2	Secure funding/procurement commitments for Metro Stage 2, linking Metro with major town centres and Canberra Airport	TBA
Canberra CBD to North corridor	Upgrade Canberra CBD to North corridor to reduce congestion.	TBA
Total (Millions \$)		TBA
VICTORIA		
Metro Rail Tunnel 2 business case	Prepare the business case for Melbourne Metro 2	\$200M
Regional Highway Duplications, Safety and Maintenance package	Accelerate the Western Highway duplication and bypasses	\$500M
	Accelerate the Princes Highway East duplication and bypasses	\$425M
	Implement regional highways AusRAP safety and maintenance program	\$2,000M
Melbourne Airport Rail Link	Construction of a high speed direct connection between Melbourne CBD and Melbourne Airport	\$10,000M
Total (Millions \$)		\$13,125M
SOUTH AUSTRALIA		
Dukes Highway	Staged duplication of the Dukes Highway between Tailem Bend and the South Australia/Victoria border to improve safety, productivity, and future proof this corridor for autonomous vehicle trials.	\$1,200M
National Highway Network - Road Renewal Fund	The SA Department for Planning Transport and Infrastructure has identified a renewal backlog across the South Australian network at around \$723m. \$396m over 2 years will cover roads that form part of the National Highway Network and are of critical strategic importance. Renewal/maintenance work involves the resealing and rehabilitation to address performance deficiencies and improve safety. This backlog will increase exponentially unless there is an injection of funding to dramatically increase the rate of network remediation.	\$396M
Augusta Highway	Staged duplication of the Augusta Highway, between Copper Coast Highway and Port Augusta to improve safety and future productivity on this corridor.	\$1,300M
Total (Millions \$)		\$2,896M

Project Location/ Name	Project Description	Estimated Cost
QUEENSLAND		
Bruce Highway, Warrego Highway and Pacific Motorway / Coomera Connector	Commit funding to fast track all Bruce Highway Upgrade Program (15 year safety, capacity and flooding projects and Commit funding and partner with the QLD Govt to establish and run the Bruce Highway Trust (\$800 million/year Fed contribution)	\$10,000M
	Commit funding to the Warrego Highway Upgrade (WHUP) project for major upgrades between Toowoomba and Miles and accelerating Ipswich to Toowoomba safety and capacity improvements	\$1,200M
	Accelerate delivery of Pacific Motorway - Daisy Hill to Logan Motorway project (\$500m) and continue to upgrade interchanges between Brisbane and Gold Coast to improve safety and capacity.	\$600M
	Commit funding to deliver the Coomera Connector (Logan Motorway to Nerang-Broadbeach Road) as a multi-modal corridor to relieve pressure on the M1.	\$2,400M
Gateway Motorway North and Ipswich Motorway (Oxley to Darra and Darra to Ipswich)	Accelerate delivery of Gateway Motorway North (Bracken Ridge to Pine River) project to relieve congestion and provide consistent capacity	\$800M
	Commit to completion of Stage 2 Ipswich Motorway, Darra to Rocklea, and future capacity upgrade, from Darra to Ipswich	\$850M
Rail Infrastructure and Open Level Crossing (OLC) Removal Program	Commit funding to deliver Kuraby to Beenleigh rail line capacity improvements, Springfield to Ripley and Ipswich Rail Extension, Manly to Cleveland Rail duplication and Salisbury to Beaudesert Rail to add capacity and accessibility to SEQ rail infrastructure.	\$2,000M
	Commit all funding to complete Beerburrum to Nambour Rail Upgrade to take pressure off the Bruce Highway	\$250M
	Commit funding to a rolling program to grade separate 1 open level crossing per year (\$65-80m/yr), e.g., Boundary Road, South Pine Road, Cavendish Road, Warrigal Road, Lindum Road, Beams Road and Wacol Station Road	\$300M
Cycling and active transport	Commit to funding projects on the PCNP (\$50m/yr) and assist Brisbane City Council Green Bridge proposals (\$50m/yr)	\$400M
AusRAP and Regional Roads safety and productivity improvements	Commit annual AusRAP funding (\$350m/yr) to deliver a dedicated mass action safety program of low-cost, high impact safety treatments on State road corridors (e.g., Mt Lindesay Highway, D'Aguilar Highway, ect.) and higher order Local Government roads (LRRS)	\$1,400M
	Commit and bring forward funding for regional road productivity improvements in QLD, including an Inland Bruce Highway alternative, as prioritised through multiple programs such as ROSI, Inland QLD Road Network Strategy, Roads to Recovery, Northern Australia Roads and Beef Roads Program	\$5,000M
Total (Millions \$)		\$25,200M

Project Location/ Name	Project Description	Estimated Cost
WESTERN AUSTRALIA		
Regional Road Safety Package	Commit funding to the WA State Government-backed strategic program to deliver low-cost treatments across 17,000km of WA's regional road network with the aim of reducing regional KSI by 60 per cent.	\$900M
Public transport infrastructure	Commit funding towards Perth's long-standing light rail proposal from UWA/QEII to Canning Bridge (via the CBD and Bentley/Curtin).	\$1,800M
	Commit funding towards light rail to connect Scarborough Beach/Stirling to Glendalough and onto the Perth CBD to enhance access to strategically important centres for employment, retail and tourism.	\$1,100M
	Commit funding to provide world-class transit interchanges at Canning Bridge and Stirling stations, to deliver increased capacity, improved multi-modal access and enhanced passenger experience; as well as enabling road network efficiency improvements (further leveraging the benefits of current investments on the Kwinana and Mitchell freeways).	\$150M
Technology solutions to optimise and future proof the transport system	Commit funding to prepare for a future with automated and connected vehicles, helping to position WA and the nation to capitalise on advancements in technology and future proof new infrastructure.	\$50M
	Commit funding towards Intelligent Transport Systems, including technologies to enable road and public transport optimisation and real-time traveller information to maximise the value of existing and future transport infrastructure investment.	\$250M
	Commit funding to implement a program of measures to optimise Perth's heavy rail system (including signalling system and Station upgrades) to make the best use of existing rail assets and cater for increasing demands.	\$1,000M
Major highway grade separations and road upgrades	Continue to commit funding towards the rolling program of grade separations and associated upgrades on WA's major highways to bring nationally significant corridors up to freeway standard.	\$260M
	Commit funding towards the completion of Albany Ring Road (stages two and three) to provide an efficient and safe road network around Albany.	\$137M
	Commit funding towards a rolling program of road/rail grade separations to remove level crossings (including Caledonian Ave in Maylands, Oats Street in Carlisle and Wharf Street in Cannington) and deliver associated urban realm enhancements, improving safety, road and public transport efficiency and amenity.	\$1,500M
Cycling infrastructure projects	Commit funding for green bridges to address severance issues and increase cycling catchments for the Perth city centre and major activity centres, delivering safety, health and productivity benefits.	\$300M
	Commit funding towards the completion of Perth's Principal Shared Path (PSP) network, to provide continuous and safe cycling infrastructure within a 15km radius of the Perth city centre and strategically important connectors to activity centres and green bridges.	\$70M
Total (Millions \$)		\$7,517M

Project Location/ Name	Project Description	Estimated Cost
TASMANIA		
Bridgewater Bridge Replacement	Continued commitment to replace the Bridgewater Bridge	\$600M
10 Year Bass Highway Plan	Increase highway to a minimum AusRap 3 star rating with a fully committed ten year upgrade plan that includes Christmas Hills, Parramatta Creek, Wynyard to Marrawah improvements, Burnie to Smithton and Latrobe to Deloraine improvements.	\$500M
30-year Greater Hobart Mobility Plan	Focus on congestion busting measures that include an increase in public and active transport (separated cycleways), ferry services, park and ride, and current commitment for the South East Traffic solution. \$65M Years 1-5; \$31M Years 6-10 (30 year Vision) + current commitment for South East Traffic Solution \$57M + Causeway \$100M	\$253M
Launceston & Tamar Valley Traffic Vision	Future Tamar Bridge, West Tamar Highway improvements, long term congestion strategies	\$400M
Tasman Highway Upgrades	Upgrade tourist road infrastructure particularly Swansea to Bicheno, Eaglehawk Neck to Port Arthur	\$30M
Total (Millions \$)		\$1,783M
NORTHERN TERRITORY		
Stuart Highway	Upgrade the Stuart Highway from Darwin to Pine Creek.	\$110M
Total (Millions \$)		\$110M
AUSTRALIA TOTAL - EXCLUDING ACT PROJECTS, TBA		
Total (Millions \$)		\$103,431M

Improve road safety

An opportunity to revive road safety

In 2011, the Australian Government along with all states and territories signed up to the National Road Safety Strategy 2011-2020 (NRSS), which set out to achieve at least a 30 per cent reduction in road fatalities and serious injuries over the term of the strategy. With the strategy expiring next year, it is evident that about half of the strategy's targets will be missed, and a further quarter cannot yet be measured.

Many road safety measures are worse today than they were when the NRSS was agreed in 2011. The Australian Government's own Review of National Road Safety Governance Arrangements found "the Australian Government has not provided sufficiently strong leadership, coordination or advocacy on road safety to drive national trauma reductions."¹⁸

Each year road trauma costs the national economy around \$30 billion and costs our federal, state and local governments \$3.7 billion,¹⁹ including through foregone tax revenue and additional government income support payments.

Making substantial reductions to Australia's road toll will require robust data, measurable targets backed by evidence-based policies, funding that matches the scale of the problem, transparency and accountability.

The lessons delivered by the failures of the NRSS were acquired at great cost: through deaths, serious injuries, lasting disabilities and immeasurable grief. Governments must not ignore these lessons.

The leaders of Australia's motoring clubs believe the time has come for a new federal approach to road safety management. Earlier this year, the AAA and its seven member clubs worked with fifteen transport, health, research and emergency services groups to develop its Reviving Road Safety document. This document advocates a set of priority steps the government can take right now to optimise existing investment and maximise better road safety outcomes. It is not intended to articulate everything a federal government could do to help reduce road trauma, but it does aim to list the tasks these groups agree are the necessary first steps to be taken.

The Reviving Road Safety document identifies four key areas which stakeholders believe should be the top priorities for the Australian Government:

- Ensure the new Office of Road Safety has genuine authority to oversee the development and progress of the next National Road Safety Strategy.
- Develop a national road safety data hub within the Office of Road Safety, which would coordinate the collection and analysis of safety data to help develop future policy and investments.
- Link infrastructure funding to road safety outcomes, and use incentive payments, to ensure road funding proposals are tied to safety standards.
- Encourage the uptake of safer vehicles and work towards targets to lower the average age of Australia's vehicle fleet.

1: Assign the Office of Road Safety a leadership role and genuine authority

The new national Office of Road Safety will oversee the development, implementation and progress of the next National Road Safety Strategy, to take effect from 2021.

The Office must also have the authority needed to drive greater cooperation within federal government; between the federal and state and territory governments; and between different state and territory governments. The Office of Road Safety must have the staff, resources and authority to:

- develop a whole-of-government approach to road safety, fostering communication and collaboration between federal departments and statutory authorities – including Treasury, Health, Environment and the National Transport Commission - to deliver better, more cost-effective outcomes
- identify best practice to assist policy harmonisation between states and territories
- oversee a national road safety research program that informs evidence-based policy, infrastructure and vehicle design – and ensure that this work informs existing safety programs
- oversee the development and implementation of the next NRSS, ensuring it is well resourced, and guided by robust and transparent data and well-defined metrics and targets
- ensure accountability by being responsible for translating the targets in the NRSS into the required actions.

2: Develop a national road safety data hub

Australia lacks detailed, reliable and consistent road safety data in many key areas. Without good road safety data we can't target investment where there is most need and we can't use evidence to set effective priorities.

The Inquiry into the NRSS, completed in 2018 by Assoc Prof Jeremy Woolley and Dr John Crozier had as its first term of reference "Identify the key factors involved in the road crash death and serious injury trends including recent increases in 2015 and 2016." But the Inquiry could not achieve this because the necessary data sets were insufficient or unavailable.²⁰

Australia still cannot:

- deliver open and consistent data on the condition of the road network
- measure the number of road deaths in which speed was a contributing factor
- accurately measure serious road crash injuries (because data on serious injuries from road trauma is inconsistent across states and territories)
- measure the percentage of new vehicles sold with key safety features.

The AAA believes there is great potential in utilising data analysis to better allocate and target regional road funding to areas with the greatest safety need.

Australia lacks open, available and consistent data on the condition of the road network. Road assessment programs (RAPs) aim to substantially reduce road trauma by providing objective assessment methods for making road infrastructure safer. iRAP (the International Road Assessment Programme) is the umbrella organisation for RAPs around the world. The Australian Road Assessment Program (AusRAP) is a member of iRAP.

The Inquiry into the NRSS reported that 7 per cent of vehicle travel is on 1-star roads and 28 per cent is on 2-star roads.²¹ The National Road Safety Action Plan 2018-2020 aims to achieve 3-star AusRAP ratings or better for 80 per cent of travel on state roads, including a minimum of 90 per cent of travel on national highways.²² It is estimated that more than a third of all road deaths and severe injuries could be prevented if these targets in the Action Plan were achieved. But there is no transparency about how the Action Plan targets are being measured or whether they are on track to be achieved.

The AAA understands that state and territory road authorities are undertaking risk assessment based on the same methodology as AusRAP, but the extent to which this is done, exact methods used, and the resulting risk assessment are unclear. A nationally administered AusRAP hub could coordinate road network risk assessment, ensure that infrastructure funding accelerates elimination of high-risk roads, and help track improvement.

Improve road safety

The AAA believes the Office of Road Safety should be given responsibility for implementing an overhaul of Australia's road safety data collection, analysis and reporting capabilities. The Office must work with state and territory governments to:

- agree on consistent metrics and reporting formats for data, including measuring and reporting serious injury data as a matter of urgency
- share all data sets – including a full picture on crash causes
- integrate data sets - overlaying road crash information with geospatial, road network and health data
- share these data sets in an open-source platform and produce up-to-date reports on performance against NRSS targets.

Improved data will produce better informed road safety interventions. It will support targeted infrastructure investment and evaluation of interventions' effectiveness.

3: Link federal infrastructure funding to road safety outcomes

Too many existing roads in Australia are not safe enough. Infrastructure Australia's 2019 Audit highlights Australia's "mounting maintenance backlog" with the "condition of many assets unknown".²³

Governments are rightly moving to build new roads and upgrade existing ones, however road infrastructure projects are currently not obliged to follow best-practice safety standards. As the Inquiry into the NRSS noted, governments are still funding high-speed undivided roads with dangerous roadsides, right-angle intersections on freeways and the replacement of roundabouts with traffic signals.²⁴

The Government's own Governance Review noted "Road infrastructure funding is not conditional on the inclusion of Safe System treatments in every project. Adding this condition would save lives and prevent expensive retrofitting of measures after projects are completed."²⁵

As the major funder of national infrastructure, the Australian Government can and should insist that safety is prioritised in project selection and planning. New roads must be engineered to high standards with safety considerations built in from the start of all projects.

Several key principles should guide the construction of a safe national road network:

- Australian Government funding for road projects must match the scale of the safety problems and must be linked to safety outcomes by demonstrating safety benefits measured by agreed standards.
- States and territories that fulfil their NRSS reporting and compliance obligations should receive incentive payments.
- Safety benefits must be embedded and prioritised in infrastructure projects and programs.
- The Office of Road Safety should work with state and territory governments to invest in safety focused transport infrastructure and upgrades to high risk roads.
- Governments need to use safety performance reviews of all recently completed infrastructure projects to identify and rectify systematic problems with planning, road design and maintenance practices.

4: Encourage the uptake of safer vehicles and lower the age of the vehicle fleet

Australia's vehicle fleet is not as safe as it should be and Australia has too many older vehicles on its roads. This costs lives and means our emissions are greater than they could be.

From 2000 to 2017, Australia's road toll fell by almost a third. About 36 per cent of this reduction was due to the use of safer vehicles, according to the Bureau of Infrastructure, Transport and Regional Economics.²⁶

Too few Australians are getting access to the safety benefits built into new cars. Vehicles built before 2002 account for just 20 per cent of Australia's national fleet but are involved in 36 per cent of fatalities.²⁷

Over 2015-17, the average age of light vehicles in Australia remained constant at 9.8 years. Yet in 2015 the average age of a vehicle involved in a fatal crash was 12.5 years. This rose to 12.9 years in 2016 and rose again to 13.1 years in 2017.²⁸

Unfortunately, vehicle age has not been declining. By July 2019, the average age of vehicles in Australia had increased to 10.2 years, according to the Australian Bureau of Statistics.²⁹ Many Western European countries vehicle fleets have a lower average age than Australia's.³⁰

The AAA would like to see the Australian government remove tariffs on imported vehicles and abolish the luxury car tax. Tariffs and taxes applied to new cars make the cost of purchasing new cars more expensive. This then flows through to the cost of second-hand vehicles, making it difficult for people on low incomes to purchase newer, safer, more fuel-efficient vehicles. This leads to poorer road safety, environmental and affordability outcomes in the transport system.

The Australian Government should set targets to reduce the average age of Australia's vehicle fleet. AAA research³¹ has found reducing the average age of Australia's vehicle fleet by one year would:

- reduce road crashes by 5.4 per cent
- save more than 1,300 lives over the next 20 years
- deliver road trauma and emission reduction benefits worth \$19.7 billion over 20 years
- deliver \$3.3 billion in direct savings to government over the same period.

The Australian Government can also encourage safer vehicles by improving widespread deployment of the latest vehicle safety technologies and being quicker to implement new vehicle safety standards.

Australia is entitled to participate in developing United Nations (UN) vehicle safety standards, but we don't take full advantage of this opportunity. Taking an active role in the development of global standards would help ensure that global standards better recognise Australian needs. It would also let Australia develop local standards in tandem with its participation in the UN process. This would mean that instead of passively waiting for the delivery of new UN standards before starting our own work, we could adopt new UN standards much more quickly and could accelerate their implementation.

The Australian Government can lead the way in increasing the uptake of safer technologies, by ensuring that its fleet purchases specify a 5-star ANCAP safety rating with a tested date stamp no more than three years old to ensure dynamic inclusion of the latest collision avoidance technologies and road user protection.

It should also require that all advertising or point-of-sale statements on vehicle safety reference the ANCAP rating.

The Australian Government should also encourage voluntary undertakings by vehicle manufacturers to fit latest safety technologies, such as lane support systems and autonomous emergency braking to prevent crashes.

The Inquiry has suggested several ways that the Federal Government could encourage the uptake of newer, safer vehicles:

- Increase the scale and scope of ANCAP or similar entities to cover the vehicle fleet beyond light vehicles.
- Abolish tariffs and the luxury car tax for vehicle imports with high safety performance.
- Support and enhance vehicle testing capabilities to verify safety across all vehicle types.
- Accelerate the implementation of vehicle, truck and motorcycle fleet Australian Design Rules to mandate proven low-cost safety technologies in all new vehicles (for example, autonomous emergency braking).³²

Reform transport funding

Australia needs to reform the way its land transport systems are funded.

The Australian Government's largest source of transport-related revenue is fuel excise.

The Government currently collects 41.6 cents in tax or 'excise' on every litre of petrol and diesel sold at the petrol pump in Australia. Rather than specifically earmarking this money for road safety or transport infrastructure, as many other countries do, the government can allocate these funds to any area of expenditure.

Government must investigate structural taxation reform to transition Australia to a full user-pays funding model for all light vehicles. This is the fairest way of ensuring that what users pay reflects their actual use of the system.

Funding reform should begin by incorporating ultra-low fuel consumption vehicles into the road user funding system, via a distance-based road-user charge hypothecated directly to a transport infrastructure fund – implemented in a manner that ensures no disincentive to the take-up of ultra-low fuel consumption vehicles.

The first Australian Infrastructure Plan released in 2016 recommended a transition to a road user charging system as a means of funding Australia's transport infrastructure, noting "the current approach to charging for road use and investing in road infrastructure is unfair, unsustainable and inefficient."³³ The 2019 Audit similarly identified "there is no clear link between expenditure on roads and usage, which means road expenditure is inequitable, inefficient, unsustainable and lacks transparency."³⁴

In 2016, the Australian Government responded by stating that it would "establish a study, led by an eminent Australian, into potential benefits and impacts of road user charging for light vehicles". To date, the Government has not progressed this study.³⁵

Fuel excise is inequitable. It means drivers of different cars pay different amounts to travel the same distance on the same road. People on lower incomes often have a heavier burden because they tend to own older, less fuel-efficient vehicles. They're also more likely to live in outer suburbs or regional locations and have fewer public transport options. Meanwhile, the use of non-internal combustion engine vehicles is expected to grow strongly in the next decade. These vehicles currently use the road network at no cost, as they are outside the fuel excise system.

Infrastructure Australia recently highlighted the challenges facing Australia with respect to declining fuel excise and the need to reform transport funding. While fuel excise was originally designed as a proxy consumption-based charge, the correlation between vehicle kilometres travelled and the demand for fuel no longer functions as it did, "with fuel excise decreasing in real terms and kilometres travelled increasing over the past two decades".³⁶ Infrastructure Australia notes this trend is likely to worsen as cars become increasingly fuel-efficient and electric vehicles make up a growing proportion of our fleet.

This system is clearly inequitable and technological change is now magnifying its flaws and making it unsustainable.

While a comprehensive review of transport taxation and funding would be a vital component of a Land Transport White Paper, the Government can begin planning for the future and improving equality in the system by implementing a road-user charge on ultra-low fuel consumption vehicles now.

Introduce real-world driving emissions testing

Australian motorists need reliable independent testing of vehicle emissions and fuel consumption in local conditions.

This would entail an Australian-based real-world vehicle emissions test program to measure new vehicles' emissions performance and fuel consumption with results published on the Government's Green Vehicle Guide website.

Laboratory emissions data can misrepresent real-world vehicle emissions. The result is misleading fuel consumption figures, which means the running costs of these vehicles are often higher than the owners were led to believe.

Real-world emissions testing, conducted on behalf of the AAA, shows noxious gas emissions are up to seven times the regulatory limits for some vehicles, while greenhouse gas emissions and fuel consumption are up to 59 per cent higher than advertised, and 23 per cent higher on average. In addition, 11 out of the 12 diesel vehicles tested exceeded legal laboratory limits for noxious emissions.³⁷

Analysis of this testing shows that misleading fuel consumption labels – based on lab tests that do not reflect real world driving conditions – are costing new car buyers up to more than \$600 per annum in additional fuel costs.³⁸

In the wake of the Volkswagen emissions scandal, many countries are taking steps to use real world emissions testing. This testing is conducted to provide more accurate information to consumers about emissions and fuel consumption and such reform should be at the top of the Australian Government's environment and transport policy priorities.

The AAA estimates it would cost about \$3 million annually to test 60 vehicles per year. If 60 vehicles were tested every year, within two years results would cover about 60 per cent of new vehicle sales.

For less than \$3 per new vehicle sold in Australia, Australian consumers could have access to real-world testing information for most new cars sold on the Australian market. Real-world testing already applies to heavy vehicles in the US and light vehicles in Europe. London and Paris metropolitan authorities have also introduced real-world testing programs to improve consumer information.

The mandatory fuel consumption label and the Green Vehicle Guide website should incorporate star ratings and operating cost savings similar to those used in the US and New Zealand.

AAA polling shows that 90 per cent of Australians would support such a scheme.

Implement a mandatory scheme for access to service and repair information

Service and repair information available to franchised motor vehicle dealers should also be available to independent repairers on commercially fair and reasonable terms.

Giving independent operators access to service and repair information supports competition in the aftermarket industry. This gives consumers more choice, creates competition in the market and reduces service and repair costs.

As vehicles become more technologically complex, the necessity for such information becomes more acute.

The Treasury has announced its intention to introduce a mandatory scheme for the sharing of information. The announcement includes a proposal is for an industry-led body to assist Government with administering the scheme and ensure manufacturers, repairers, and consumers have a voice in developing the scheme and keeping it effective and relevant. With dispute resolution processes set out in legislation, this body could also be conferred with dispute resolution duties.

The AAA is supportive of the Australian Government's proposed industry-led body, however believes financial support from Government to assist with the establishment of the body is important to ensure the effectiveness and success of the scheme.

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