

28 January 2022

The Treasury
Pre-Budget Submissions

Via email: prebudgetsubs@treasury.gov.au

2022-23 PRE-BUDGET SUBMISSION

ABOUT RA:

Roads Australia ('RA') is the peak body for roads within an integrated transport system, representing an industry that contributes \$236 billion annually to the economy and supports 1.4 million jobs. RA has over 150 members and brings industry, government, and communities together to lead the evolution of Australia's roads, integrated transport and mobility.

RA welcomes the opportunity to make a submission for consideration in the formulation of the 2022-23 Commonwealth Budget.

The [RA Strategic Plan 2021-23](#) outlines RA's 4 policy themes: Place Making; People, Data & Technology; and Resilience.

The recommendations in this submission are grouped under each of these themes. There is also a 'General' section incorporating recommendations that have broader coverage.

SUMMARY OF RECOMMENDATIONS:

RA makes the recommendations in this submission to support the following goals:

- **Optimise the use of our roads for environmental, social, economic and cultural outcomes.**
- **Improve the stewardship of our roads for the workers on them and the people who use them.**
- **Decarbonise the economy through integrated transport and the efficient use of resources and energy.**

Collaborative research.

1. **RA recommends that the Commonwealth funds research into the challenges facing transport use and infrastructure, focussing on collaborative efforts between government, universities and industry.**

Procurement reform.

2. RA recommends that the Commonwealth fund and support reforms to the procurement and delivery of transport infrastructure by implementing recommendations outlined by RA and Infrastructure Australia (IA) in our various reports and submissions.

Making better places to live and work.

3. RA recommends that the Commonwealth establish a federated data collection and sharing service for better decisions on place, design and future transport infrastructure.
4. RA recommends, subject to proper planning and decision making, the Commonwealth continue to co-invest in active and public transport projects in partnerships with state, territory and local governments.

Road safety.

5. RA recommends that the Commonwealth continue to fund safety upgrades of regional and rural roads with state, territory and local governments.
6. RA recommends the Commonwealth work with local governments to help lift the quality of roads under their management.
7. RA recommends that the Commonwealth link the funding of infrastructure to road safety outcomes, as recommended under the AAA report, [Reviving Road Safety](#).

Road Worker Safety.

8. RA recommends the Commonwealth support the Office of Road Safety and Safe Work Australia in the collection of analysis of data on road worker safety.
9. RA recommends the Commonwealth fund a national road worker safety education and awareness campaign.

Culture and Skills.

10. RA recommends that Infrastructure Australia continue to be supported by the Commonwealth to enable them to track areas of acute skills shortage relevant to the delivery of infrastructure. This data can then be used to inform updates to the skilled migration occupation list and training programs.
11. RA recommends that when considered safe, the Commonwealth restore the full international skilled migration program and continuation of the updates to the list of available professions to ensure that the program is meeting the needs of the industry as indicated by IA's recent [Market Capacity Report](#).
12. RA recommends the Commonwealth provide support for appropriate training courses to meet the industry demands, as indicated by IA's recent [Market Capacity Report](#).

13. RA recommends the Commonwealth fund and support the delivery of the Construction Industry Culture Standard when finalised.
14. RA recommends the Commonwealth consider supporting the work of [SARAH Group](#), [Healthy Heads in Trucks and Sheds](#) and the [National Road Safety Partnership Program](#) as well as other organisations whose initiatives support the physical and mental health of people who work on and use our road network.

Zero Emission Vehicles.

15. RA recommends the Commonwealth incentivise the transition to Zero Emission Vehicles through the introduction of appropriate financial incentives and support the roll-out of ZEV fuelling/charging locations.
16. RA recommends the Commonwealth fund the transition of government fleets to suitable and appropriate ZEVs.
17. RA recommends the Commonwealth support necessary enabling infrastructure and grid improvements that will allow for the efficient and effective generation and transmission / transportation of zero emission energy.
18. RA recommends the Commonwealth support research for the harder to transition transport sectors, such as heavy vehicles and construction plant and equipment, to move them to much lower and eventually zero emission fuels.

Road User Charging.

19. RA recommends the development of a nationally consistent road funding mechanism that strengthens links between road related revenue and road related investment.
20. RA recommends the Commonwealth support trials of various road user charging models in different Australian environments.

Sustainable Transport Assets.

21. RA recommends the Commonwealth fund research into the greater inclusion of “waste” streams as a replacement for virgin materials in infrastructure.
22. RA recommends the Commonwealth use procurement practices to increase the substitution of virgin materials with suitable products made from sustainable waste streams, with incentives to develop, trial and standardise the use of new recycled products.

More Resilient Transport Infrastructure.

23. RA recommends the Commonwealth endorse the ‘Build Back Better’ system for the construction and reconstruction of transport assets.

The rationale behind these recommendations and their potential to enhance the performance of Australia’s integrated transport network is explored in this submission.

GENERAL:

Integrated transport in Australia and around the world continues to face challenges brought about by population growth, changing customer demands, increasing infrastructure demands and the need to transition to a zero-carbon economy.

The solutions to these challenges will not just come from the obvious professions of engineering, construction and transport planning. Other areas that also need to be considered include economics, information and communications technology, land-use planning, legal, risk management and energy.

To meet these challenges, Australia requires a research funding scheme that supports collaborative efforts that bring in various skill sets to seek solutions to these problems.

In 2019, a delegation of RA members on a study tour of the USA and Canada saw how this collaborative research model is achieving productive results in North America. The benefits of this collaboration model were summarised in RA's [Future Transport: Smart Cities](#) report.

1. RA recommends that the Commonwealth funds research into the challenges facing transport use and infrastructure, focussing on collaborative efforts between government, universities and industry.

The main element missing from the Commonwealth's welcome provision of \$110 billion to fund an ambitious transport infrastructure agenda is the implementation of reforms necessary to ensure this program of works will be delivered efficiently and effectively.

In 2021, Infrastructure Australia (IA) released two reports highlighting issues in the infrastructure industry. These reports, the [2021 Australian Infrastructure Plan](#) and the [2021 Market Capacity Report](#), both found serious deficiencies in the way Australia plans, designs and constructs our transport infrastructure. The Market Capacity Report, which was requested by COAG, found that in its current state, the industry would struggle to deliver the current infrastructure pipeline.

Recommendations from IA for the industry include a coordinated project pipeline, adoption of best-practice due diligence, improved engagement with the industry and supply chain, and adoption of a 'digital by default' approach to infrastructure planning, delivery and operations.

IA also recommended that governments should act as model clients who serve as custodians of industry health and productivity.

These reports and recommendations mirror the earlier findings of RA's [Procurement Reform Report](#) and the more recent RA submission to the [House of Representatives Standing Committee on Infrastructure, Transport and Cities inquiry into Procurement Practices for Government-funded Infrastructure](#).

2. RA recommends that the Commonwealth fund and support reforms to the procurement and delivery of transport infrastructure by implementing recommendations outlined by RA and IA in our various reports and submissions.

PLACE MAKING:

The communities we live in are reliant on the road network as a universal access utility that supports the flow of people and goods. Our neighbourhoods flourish when we can capitalise on the spaces within them, optimise their use and promote people's health, happiness and well-being.

In developing places that will meet the needs of our communities and meet the challenges already outlined, we need to be able to make better decisions. To make those decisions we need improved information and data.

In some specific transport areas, such as freight and logistics and road safety, we have already seen the Commonwealth develop federated data hubs that will lead to improved productivity and safety. A similar national approach to the collection of data on the outcomes of interventions and infrastructure in place and transport would provide a significant pool of information that will ensure decision-makers will have the evidence they need to successfully meet our transport challenges.

3. RA recommends that the Commonwealth establish a federated data collection and sharing service for better decisions on place, design and future transport infrastructure.

A key part of healthy places is providing options that allow for the movement of people and goods in the most efficient and effective ways. The data model recommended above will inform better decisions about those places. In the meantime, it is important that the Commonwealth continues to support state, territory and local governments to invest in active and public transport projects that deliver positive outcomes for communities.

4. RA recommends, subject to proper planning and decision making, the Commonwealth continue to co-invest in active and public transport projects in partnerships with state, territory and local governments.

PEOPLE:

The people who use and work on our transport infrastructure deserve to be safe. This applies equally to the driver on a regional road and the road workers and traffic controllers building and maintaining our road network.

The number of people who have their lives devastated by either losing a loved one on our roads or suffering serious life-changing injuries like limb amputation and brain injuries is still far too high. This is especially the case in regional and rural Australia.

While there are actions underway to reduce this through the [National Road Safety Strategy 2021-30](#) and other measures, there are some specific actions needed to support that work.

5. RA recommends that the Commonwealth continue to fund safety upgrades of regional and rural roads with state, territory and local governments.

6. RA recommends the Commonwealth work with local governments to help lift the quality of roads under their management.

7. RA recommends that the Commonwealth link the funding of infrastructure to road safety outcomes, as recommended under the AAA report, [Reviving Road Safety](#).

Recently there have been highly publicised cases where road workers have been killed and severely injured doing their jobs. RA has established a Road Worker Safety Working Group which is focussed on developing solutions to strategic issues within the industry. The recently released [National Road Safety Strategy 2021-30](#) has acknowledged workplace road safety and the vulnerability of road workers and traffic controllers on our road networks.

A fundamental issue is the lack of reliable data on the fatalities, injuries and near misses involving road workers. Without this information it is difficult to assess and take action to limit tragedies in the industry. The Office of Road Safety is currently establishing the National Road Safety Data Hub, which with the support of Safe Work Australia, state and territory governments and safety organisations, could collate and share this data.

The limited data that is available about the behaviour of motorists around road work sites has been collected by members of RA. As explained in an RA webinar on [Road Worker Safety](#) the data collected from one project showed vehicle speed in urban work sites was on average 10kph above the posted reduced work site speed limit and 15kph on average above the posted reduced work site speed limit in regional areas.

While RA, along with a number of other organisations, has had some success with asking governments to [improve speed enforcement in work sites](#), driver education is also required.

- 8. RA recommends the Commonwealth support the Office of Road Safety and Safe Work Australia in the collection of analysis of data on road worker safety.**
- 9. RA recommends the Commonwealth fund a national road worker safety education and awareness campaign.**

Governments across Australia are investing heavily in transport infrastructure. Infrastructure Australia (IA) was asked by the Council of Australian Governments in March 2020 to report on the capacity of the market to deliver this ambitious infrastructure agenda. IA's Market Capacity Report revealed the construction sector is facing several cultural and workplace issues with future labour shortfalls, an ageing workforce and issues with workplace gender equality, with female representation only 12%.

Important steps can be taken by amending the skilled migration occupation list and funding training programs that reflect industry needs to help meet this skills shortfall. However, it is the culture of the sector and the lack of diversity that may well hold back the ambitious infrastructure agenda of governments.

As RA pointed out in our submission on the Construction Industry Culture Taskforce Draft Culture Standard, there are not only business reasons to improve the culture of construction and transport industries, but there are moral and transport imperatives as well.

- 10. RA recommends that Infrastructure Australia continue to be supported by the Commonwealth to enable them to track areas of acute skills shortage relevant to the delivery of infrastructure. This data can then be used to inform updates to the skilled migration occupation list and training programs.**
- 11. RA recommends that when considered safe, the Commonwealth restore the full international skilled migration program and continuation of the updates to the list of available professions to ensure that the program is meeting the needs of the industry as indicated by IA's recent Market Capacity Report.**

12. RA recommends the Commonwealth provide support for appropriate training courses to meet the industry demands, as indicated by IA's recent Market Capacity Report.

13. RA recommends the Commonwealth fund and support the delivery of the Construction Industry Culture Standard when finalised.

RA works with several organisations do important and incredible work supporting physical and mental safety programs in the transport industry. In particular we are partners with [SARAH Group](#), [Healthy Heads in Trucks and Sheds](#) and the [National Road Safety Partnership Program](#).

These organisations rely on funding from governments directly or from grants from government agencies and other bodies to deliver their initiatives that are so important to keeping people healthy and safe on our roads.

14. RA recommends the Commonwealth consider supporting the work of SARAH Group, Healthy Heads in Trucks and Sheds and the National Road Safety Partnership Program as well as other organisations whose initiatives support the physical and mental health of people who work on and use our road network.

DATA & TECHNOLOGY:

Emerging technology and the use of current and new data streams has the capacity to deliver significant improvements for customers and in the development of transport infrastructure.

Along with the general research mentioned already, two key areas that need the support of the Commonwealth are the move to decarbonisation by transitioning towards Zero Emission Vehicles (ZEVs) and as a result, developing an improved and efficient way to charge users of our roads, so there is a sufficient revenue base to support road construction and maintenance into the future.

The need to transition to ZEVs is already well known; what is needed is efforts from government to support this technological change. All governments in Australia have now promised to reduce overall emissions, but transport emissions are still expected to increase over coming years.

For light vehicles, there are already many suitable ZEV options on the market, with many more expected. Work to accelerate the take up of ZEVs by private owners can be supported through incentives, government purchasing policies and the construction of the enabling infrastructure.

Australia is also heavily reliant on diesel for long-distance freight (road and rail) and for much of the plant and equipment at construction sites.

To maintain the economy, as well as meet the demands of infrastructure development and the increased movement of goods, Australia must be a leader in the movement towards alternatives for diesel that will reduce, and eventually eliminate, emissions from this equipment.

- 15. RA recommends the Commonwealth incentivise the transition to Zero Emission Vehicles through the introduction of appropriate financial incentives and support the roll-out of ZEV fuelling/charging locations.**
- 16. RA recommends the Commonwealth fund the transition of government fleets to suitable and appropriate ZEVs.**
- 17. RA recommends the Commonwealth support necessary enabling infrastructure and grid improvements that will allow for the efficient and effective generation and transmission / transportation of zero emission energy.**
- 18. RA recommends the Commonwealth support research for the harder to transition transport sectors, such as heavy vehicles and construction plant and equipment, to move them to much lower and eventually zero emission fuels.**

Improving fuel efficiency and encouraging the shift toward ZEVs powered by clean fuel technology is undoubtedly a desirable policy objective. At the same time, it has profound implications for the way in which transport infrastructure in Australia is paid for, as revenues from traditional sources such as fuel taxes and vehicle registration decline.

As more Australians make the switch to ZEVs and embrace alternative forms of transport – including rideshare and on-demand services – policy makers are confronted with the challenge of sustaining a revenue base sufficient to maintain and build the transport infrastructure on which our communities rely.

The SA, NSW and VIC Governments have either announced or implemented plans for road user charging of ZEVs. RA supports a road user charge for ZEVs, as part of a nationally consistent move to road user charging, while recognising that there needs to be measures in place to ensure uptake of more environmentally sustainable vehicles is encouraged.

Norway, the leader in the transition to ZEVs has recently [started a trial of a new road user charging system](#). The Australian environment is very different to Norway and if we are to ensure a clean and simple transition away from the blunt instruments of fuel and vehicle charges, then we need to run our own pilots across a variety of Australian environments.

- 19. RA recommends the development of a nationally consistent road funding mechanism that strengthens links between road related revenue and road related investment.**
- 20. RA recommends the Commonwealth support trials of various road user charging models in different Australian environments.**

RESILIENCE:

The construction and operation of transport infrastructure requires inputs that can result in significant greenhouse gas emissions every year.

As community expectations change and governments set national and global sustainability goals, the transport industry is starting to embrace the circular economy and work towards a net-zero future.

In addition, road construction and maintenance requires significant virgin materials, but recent research and trials have shown that at least some of these materials can be replaced by recycling “waste” streams.

By shifting away from thinking about used products as “waste” to thinking about how they can be used as a “resource” in the delivery of transport infrastructure, we can create a more resilient and sustainable transport network

21. RA recommends the Commonwealth fund research into the greater inclusion of “waste” streams as a replacement for virgin materials in infrastructure.

22. RA recommends the Commonwealth use procurement practices to increase the substitution of virgin materials with suitable products made from sustainable waste streams, with incentives to develop, trial and standardise the use of new recycled products.

With a growing population and the effects of climate change, more Australians and the infrastructure they rely on, including the transport network, have been impacted by natural disasters. Following the 2019 North and Far North Queensland Monsoon Trough, the Queensland and Commonwealth governments invested in a [Betterment program](#) that saw destroyed and damaged infrastructure ‘built back better’ and with more resilience.

“Build Back Better” is now a common phrase used in many different fields to highlight the need for broader thinking that ensures we do not simply take the path of replacing like-for-like, but consider the impacts in the medium and long-terms (including the impacts of climate change) and explore new and innovative ways of delivering more optimal outcomes for the community in the longer term.

With transport infrastructure life-cycles of 50-100 years, the principle of ‘Build Back Better’ needs to be a standard consideration in the construction and reconstruction of transport assets.

23. RA recommends the Commonwealth endorse the ‘Build Back Better’ system for the construction and reconstruction of transport assets.

CONCLUSION:

RA is pleased to make this submission to the Commonwealth Government for its consideration in the development of the 2022-23 Commonwealth Budget.

We believe that adopting the recommendations contained herein will enhance the performance, safety and sustainability of Australia’s integrated transport network, as well as delivering lasting benefits for our industry’s workforce and the wider community.

Should you wish to discuss this submission further, please feel free to contact me on (03) 9821 5255 or email me at michael@roads.org.au.

Yours sincerely



MICHAEL KILGARIFF
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