



# 2018-19 PRE-BUDGET SUBMISSION



Australian  
Automobile  
Association

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## Introduction

The AAA is the peak organisation for Australia's motoring clubs and their 8 million members. It advances the interests of all road users across Australia to ensure transport systems are safe, affordable and transparent. The AAA recognises that the nation faces fiscal challenges and believes resources ought to be directed in a manner that will raise living standards and provide the greatest return on investment.

The association has commissioned research which has focused on the safety and environmental benefits of lowering the average age of vehicles on our roads. The findings have been used to assist in developing an informed Pre-Budget submission.

Economic Connections (ECON), with Pekol Traffic and Transport and Monash University Accident Research Centre were commissioned by the AAA to create a knowledge base about the impacts of lowering the average age of Australia's light vehicle fleet by one year.

The research, contained in the report: *Benefits of reducing the age of Australia's light vehicle fleet*, has concluded that such a reduction would save up to 1,377 lives and create a \$19.7 billion benefit in trauma and emission reductions over a 20-year period.

The average age of Australia's light vehicle fleet has remained static over the past 10 years and is high compared to international peers. The average age of passenger cars on Australian roads is around 9.8 years and for Light Commercial Vehicles (LCVs) it is around 10.5 years. Although a one-year reduction would not be great enough to bring Australia into line with its international peers, the benefits of even a single year's lowering of the average age of the fleet are too great to ignore.

The Australian Government has an opportunity to make a large difference to the price of new cars in the nation. The Australian Government is expected to charge consumers almost \$5 billion over the forward estimates in taxes on new vehicles. Removing these now obsolete protectionist taxes would go some way towards lowering Australia's fleet age by encouraging people into newer safer cars that are also better for the environment.

In addition to removing new vehicle taxes and charges, Australian Government initiatives regarded by the AAA as critically important include:

- Establishment of real-world vehicle emissions testing that provides accurate information about emissions and fuel consumption – empowering Australians to make better informed choices.
- A commitment from the **Australian Government to increase investment in land transport infrastructure** and guarantee that at least 50 per cent of net fuel excise revenue will be earmarked for infrastructure in future years, establishing a transparent link between excise and infrastructure investment.
- Combatting crippling congestion and improving productivity by funding priority infrastructure projects identified by Australia's motoring clubs worth a combined investment of **\$130 billion**.







# Concerns of Australian road users

## 1

### The safety of our roads

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*Top concern for 1 in 3 people surveyed*

**Fact:** after 40 years of continuous improvement, Australia's national road toll increased in 2016, and has remained high in 2017; **1,237 people were killed on our roads**, which was 100 deaths above the current target.<sup>1</sup>

**Fact:** 42,169 Australians were hospitalised due to traffic crashes in 2014-15. That equates to **5 per hour, 116 per day, 811 per week or 3,514 Australians per month.**<sup>2</sup>

**Fact:** AAA-commissioned research found that road trauma costs the Australian economy almost **\$30 billion annually.**<sup>3</sup>

## 3

### Congestion in our cities

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*Top concern for 1 in 6 people surveyed*

**Fact:** the cost of congestion in our capital cities was estimated by the Australian Government at **\$19 billion** for the 2015 financial year. This figure is projected to reach around **\$31.4 billion** by 2030.<sup>6</sup> This equates to about **\$1000 per person per annum** for people living in the major capital cities.<sup>7</sup>

**Fact:** ACIL Allen found that congestion costs will exceed the value of road-related expenditure by the early 2020s and in one scenario modelled, congestion exceeds expenditure as early as 2018-19.<sup>8</sup>

## 2

### The cost of transport

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*Top concern for 1 in 4 people surveyed*

**Fact:** the Australian Government estimates that almost **\$29 billion** was collected from motorists through a range of taxes and charges levied by all Australian governments in 2014-15. This represents an increase of \$376 million from the previous year.<sup>4</sup>

**Fact:** Lowering the age of Australia's light vehicle fleet by one year could generate up to **\$19.7 billion** in safety and environmental benefits.<sup>5</sup>

## 4

### The state of our national infrastructure

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*Top concern for 1 in 9 people surveyed*

**Fact:** the Australian Government will collect around **\$81 billion in road related charges** in the next five years, but is predicted to return less than half to land transport infrastructure. Even if all surplus road-related revenue was directed to land transport infrastructure over the next five years, it would be **barely enough to roll out ten of 82 unfunded projects** listed on Infrastructure Australia's Infrastructure Priority List.<sup>9</sup>

**Fact:** Infrastructure Australia estimates the **infrastructure backlog** in Australia is around **\$300 billion**<sup>10</sup> however some estimates are as high as **\$770 billion.**<sup>11</sup>



# Emerging issues that will affect Australian motorists

## 5

**Ensuring Australia has a robust, cost effective, vehicle emissions framework**

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**Fact:** 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, eleven out of the twelve diesel vehicles tested exceeded legal limits for noxious emissions.<sup>12</sup>

**Fact:** globally more than **10 million** Volkswagen Group cars have been found to be carrying software that masks poor environmental performance. Such vehicles have been sold in Australia.

## 6

**Ensuring Australians receive maximum benefit from technological advances in motoring**

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**Fact:** Government reports predict fully autonomous vehicles will be introduced by about 2020 and by **2030 they will account for about 30 per cent** of light vehicles.<sup>13</sup>

**Fact:** fully autonomous road systems could avoid nearly **90 per cent of fatalities and injuries**,<sup>14</sup> thereby saving over **1,000 lives** and avoiding almost **40,000 hospitalisations**.

**Fact:** in its recent report Monetizing Car Data, McKinsey & Company estimated global revenue from car data could reach **USD \$750 billion by 2030**.





# **MAKING** **THE CASE**



## Road safety – the cost of trauma and an aging vehicle fleet is holding Australia back

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The *Cost of road trauma* report commissioned by the AAA found that road trauma costs the Australian economy almost \$30 billion per annum. According to the study, an absence of road trauma in 2015 would result in government savings equivalent to \$3.7 billion per year.<sup>15</sup> The improvement in fiscal balance could allow for reduced taxation and government borrowing. It could also allow governments to pursue expenditure proposals that deliver economic benefits, such as investment into new transport infrastructure.

The AAA also commissioned *Benefits of reducing the age of Australia's light vehicle fleet* to determine the safety and environmental benefits that would accrue from reducing the fleet age by one year under a short and long phase-in period. The two phase-in options were modelled to better inform policy makers when designing policy interventions. The average age of the light vehicle fleet has remained largely unchanged over the last decade, around 9.8 years for passenger cars and around 10.5 years for light commercial vehicles (LCVs).

The report found that lowering the age of the vehicle fleet by one year will result in a 5.4 per cent reduction in road crashes for the light vehicle fleet over 20 years under a short take up period of four years and 4.8 per cent under a long take up period of eight years. Road trauma and emission reduction benefits over the 20 years total \$19.7 billion in the short take up and \$16.8 billion in the long take up.

These figures collectively suggest there are significant safety and environmental benefits to be gained from lowering the age of the vehicle fleet. Additionally, the savings to government are estimated at \$3.3 billion and \$2.8 billion in the short and long take up periods, respectively.

## Transport infrastructure – investment unlocking economic growth

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Land transport congestion is an increasing problem in Australia, impacting economic growth, quality of life, productivity, air quality and greenhouse emissions. The cost of congestion has worsened over the past two decades, from an estimated \$5.7 billion in 1990, to \$18.7 billion in 2014-15.<sup>16</sup> If the Australian Government continues along the current investment profile, congestion costs are projected to reach \$31.4 billion by 2030.<sup>17</sup>

Australia's population is projected to grow to between 36.8 million and 48.3 million by 2061, and reach between 42.4 million and 70.1 million by 2101.<sup>18</sup> Based on the current trajectory, almost three quarters of Australia's population growth will be in the four largest cities: Sydney, Melbourne, Brisbane and Perth. The level of growth is expected to outpace the UK, the United States and Canada and will place unprecedented pressure on Australia's infrastructure.<sup>19</sup>

Research undertaken by ACIL Allen on behalf of the AAA found land transport infrastructure provision and maintenance in Australia has fallen behind growth in demand for services, and the gap is widening. In some instances, we are merely treading water, with congestion costs expected to exceed the value of road-related expenditure as early as 2018-19. Further, the ACIL Allen report has predicted the shortfall of Australian Government road funding relative to road-related revenues in 2019-20 will be between 0.6 per cent and 0.8 per cent of GDP.<sup>20</sup>

The infrastructure backlog facing Australia has also been estimated by Infrastructure Australia at around \$300 billion.<sup>21</sup> However, other estimates are much higher. Citigroup estimated that infrastructure investment required in the decade to 2018 would cost more than \$770 billion.<sup>22</sup>

Continued investment in new transport infrastructure and optimisation of the existing transport network is essential to building and sustaining economic growth.

- Studies conducted in Australia and overseas found a **1 per cent increase in the stock of public infrastructure results in an increase in economic activity of between 0.1 and 0.4 percentage points**. When broader benefits are analysed, these estimates are essentially doubled, highlighting the potential strength of external benefits.<sup>23</sup>
- The Australian Government estimated that **for every dollar spent on 128 road and rail projects analysed between 2008-09 and 2013-14 a further 2.7 dollars was returned to the economy**.<sup>24</sup>



# AAA Budget snapshot

1	THE SAFETY OF OUR ROADS
A	AAA Road Safety Platform – establish a dedicated unit responsible for developing and implementing road safety at the federal level
B	Australian Road Assessment Program (AusRAP) – targeted funding to save lives
C	Prioritising road safety in infrastructure delivery
D	Inquiry into the National Road Safety Strategy 2011-2020
E	Prioritising Black Spot funding
F	Making the Australian vehicle fleet safer - continued support for the Australasian New Car Assessment Program (ANCAP)
G	Developing a national metric for measuring serious injuries – continued focus
H	Ensuring Foreign Aid is dedicated to Road Safety
2	CONGESTION IN OUR CITIES
A	Fuel excise revenue and road funding – a fair go for motorists where 50 per cent of net excise is returned in infrastructure spending
B	Transport market reform - budget for findings of study into road user charging



## RECOMMENDATION

The AAA supports the reinstatement of a body similar to the former Federal Office of Road Safety which would be responsible for developing and implementing integrated road safety strategies and programs at the federal level.

This would require an increase to existing road safety departmental resourcing of around \$7 million per annum, bringing total resourcing across the forward estimates to \$25 million per annum.

The AAA urges the Australian Government to implement cost effective safety upgrades, raise the overall star rating of the national land transport network and prioritise upgrades based on risk-based safety assessments.

The Australian Government should also incentivise states and territories to utilise proven risk assessment methods such as AusRAP in order to effectively prioritise projects requiring road safety investment.

The AAA considers that road safety needs to be prioritised within Infrastructure Australia's Assessment Framework. Road safety also needs to be outlined as a key objective in IA's statement of expectations.

Incentive payments in infrastructure agreements could also strengthen road safety outcomes.

The AAA welcomed the commencement of an Inquiry into the National Road Safety Strategy and urges the Government to formally respond to key findings and associated funding proposals.

The Australian Government permanently increase funding to \$100 million per year in recognition that the program prevents over 4,000 crashes and saves more than 30 lives each year, as well as improving and reviewing program guidelines to ensure funding is not underspent.

The Australian Government undertake commitments to ensure a safer vehicle fleet by:

- committing at least \$3.8 million over three years from 2018-19 to support a range of expanded activities by ANCAP to improve vehicle safety for all Australians;
- Direct the ACCC to develop a new advertising guideline for the portrayal and display of vehicle safety information; and
- Mandate 5-star cars, with a date stamp of no more than three years old, for Australian Government fleet purchases.

The Australian Government must continue to focus on developing and funding a national metric for measuring serious injuries as a result of road crashes.

The Australian Government direct future international development assistance towards projects which deliver tangible improvements on road safety outcomes through the inclusion of road safety criteria as a condition of funding.

## RECOMMENDATION

The Australian Government guarantee a minimum of at least 50 per cent of fuel excise revenue, net of fuel tax credits, be earmarked transparently for land transport infrastructure funding.

The AAA is urging the Australian Government to:

- commence and formally respond to recommendations from the study into road user charging and the investigation into the independent price regulation of heavy vehicles;
- consult extensively with the AAA as the study into road user charging progresses to ensure motorists are fully represented; and
- commit to educating consumers about the failings of the current model by including fuel excise on petrol station tax invoices and funding government road user charging trials.



<b>3</b>	<b>THE COST OF TRANSPORT</b>
A	Renewed commitment by the Government for the ACCC's fuel monitoring activities
B	Removal of tariffs on imported vehicles
i	Tariffs on imported vehicles
ii	Luxury Car Tax
C	Mandatory agreement on access to service and repair information –resourcing
<b>4</b>	<b>THE STATE OF OUR NATIONAL INFRASTRUCTURE</b>
A	Support for strong Infrastructure Governance
PRIORITY ROAD AND LAND TRANSPORT INFRASTRUCTURE	
<b>5</b>	<b>ENSURING AUSTRALIA HAS A ROBUST COST EFFECTIVE, VEHICLE EMISSIONS FRAMEWORK</b>
A	Real world vehicle emissions testing – empowering Australians to make better informed choices that suit their family budget, health, and their concern for the environment
B	Providing user-friendly information on emissions based on real world results
C	Incentivising uptake of Electric Vehicles
<b>6</b>	<b>ENSURING AUSTRALIANS RECEIVE MAXIMUM BENEFIT FROM TECHNOLOGICAL ADVANCES IN MOTORING</b>
A	Unlocking the benefit of automated vehicle technology
B	Access to vehicle data - ensuring Australians receive the greatest benefit from connected cars



## RECOMMENDATION

The Australian Government renew its commitment to the ACCC's fuel monitoring activities given the significant benefits accrued already since these activities have been increased.

The Australian Government urgently review federal taxes and charges that can decrease the cost of new vehicles to encourage fleet renewal.

The Australian Government abolish the five per cent tariff on imported vehicles, saving consumers an estimated \$2.1 billion over four years.

The Australian Government abolish the Luxury Car Tax, saving consumers an estimated \$2.8 billion over four years. As a first step, the AAA supports a phased removal of the LCT, starting with an increased threshold of \$100,000 for electric vehicles.

The Australian Government ensure that a new mandatory agreement on access to service and repair information is introduced and adequate resources are made available for its administration.

## RECOMMENDATION

The Australian Government continually seek to bolster the governance arrangements around the selection and funding of land transport infrastructure and prioritise projects included on Infrastructure Australia's Infrastructure Priority List.

The Australian motoring clubs have developed a list of key land transport infrastructure projects for each state and territory. The projects would require a combined investment of almost \$130 billion. See further information at Appendix A.

## RECOMMENDATION

Real-world emissions testing is urgently needed in the Australian car market to ensure consumers and policy makers are basing decisions on real-world performance.

The AAA is calling for a program to be established which could be funded through a \$3 levy on every new car sold in Australia.

The Australian Government return the Green Vehicle Guide to its former star rating approach and incorporate real-world emissions testing data to ensure that consumers are provided with accurate and relevant vehicle emissions information that is easily understood.

The Australian Government should:

- consider federal tax related incentives (i.e. changes to LCT or FBT) to encourage adoption of electric and other high efficiency vehicles;
- incentivise research and development in electric vehicle batteries and other associated technologies through the provision of grant funding and taxation exemptions;
- establish an inter-governmental working group, representing governments, industry and consumers, tasked with establishing a roadmap for the co-ordinated transition to electric road transport, including the deployment of associated infrastructure.

## RECOMMENDATION

The Australian Government should:

- work actively with state and territory governments to incentivise the development, testing and roll-out of vehicles with increased automation including supporting further trials;
- seek to harmonise legislation that will ultimately allow the operation of these vehicles on the road network;
- support research projects that seek to better prepare all Australian governments for a sustainable future with highly automated and autonomous vehicles; and
- Publicise lessons learned through the trials and communicate those through relevant intergovernmental bodies.

The AAA urges the Government to formally respond to and act on recommendations from current inquiries relating to vehicle data access. This includes:

- Productivity Commission's review into Data Availability and Use
- NTC's upcoming project that seeks to clarify regulatory access to vehicle data
- ACCC's Market Study of the New Car Retailing Industry





# **SECTION ONE** **THE SAFETY OF OUR ROADS**



## Overview

The AAA's research shows motorists consider road safety to be their primary concern ahead of all others in relation to land transport. Tragically, 1,300 people died on our roads in 2016, while tens of thousands were injured. These figures suggest that Australia's National Road Safety Strategy (NRSS) objective of reducing deaths and serious injuries by at least 30 per cent is in doubt.<sup>25</sup>

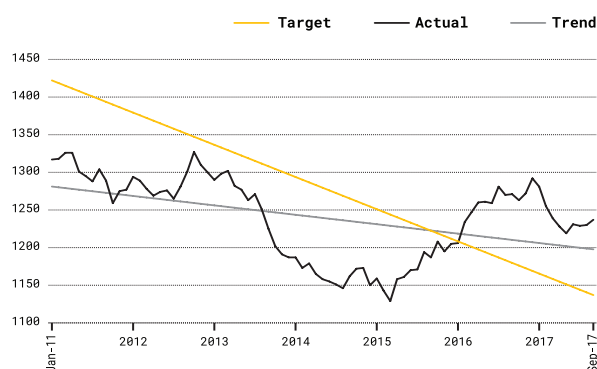
The yearly cost to the Australian economy is immense.

The *Cost of road trauma* report commissioned by the AAA found that road trauma cost the Australian economy almost \$30 billion per annum. According to the study, an absence of road trauma in 2015 would result in government savings equivalent to \$3.7 billion per year.<sup>26</sup>

The AAA also commissioned a report *Benefits of reducing the age of Australia's light vehicle fleet*, which found that by lowering the vehicle fleet age by one year, up to 1,377 lives would be saved, 5.4 per cent of road crashes would be avoided, and road trauma and emission reduction benefits would amount to \$19.7 billion over 20 years. These figures collectively suggest that there are significant benefits to be gained from lowering the age of the vehicle fleet. Additionally, the direct saving to government over 20 years is estimated at \$3.3 billion.

While the AAA welcomed the Government's announcement of further funding for the Keys2drive program in the 2017-18 budget, greater leadership is required at the national level if Australia is to meet its 2020 road safety target. The AAA is now calling on the Australian Government to consider implementing the road safety priorities outlined in the AAA's national road safety platform.<sup>27</sup>

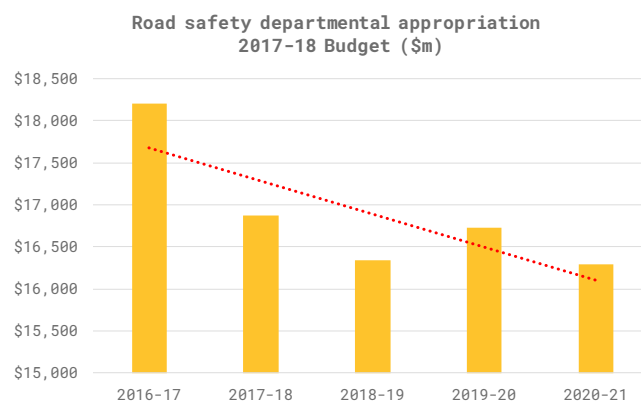
## National (Australia) fatalities per year



Source: Benchmarking the Performance of the National Road Safety Strategy - September 2017

## AAA Road Safety Platform – establish a dedicated unit responsible for road safety at the federal level

The AAA is concerned that internal departmental resourcing for road safety has diminished over recent years. The Department of Infrastructure and Regional Development's (DIRD) appropriation for road safety is expected to fall from a high of \$18.2 million in 2016-17 to \$16.3 million in 2020-21 at a time when the NRSS is failing, and national leadership is urgently needed.



Source: AAA National Road Safety Platform

The decline in road safety funding reflects a level of inertia that has come about following significant road safety gains in the decades through to the 1990s and the low priority that road safety is now afforded at the federal level. In response, the AAA released its national road safety platform in September 2017 which details the tools and levers available to the Australian Government to bring about improved road safety outcomes.

In particular, the AAA's national road safety platform advocates for the Australian Government to play a greater role in road safety in key areas including:

- Measuring success and identifying gaps in road safety through improved data collection.
- Greater national leadership in road safety through promoting best practice research and education.
- Delivering road safety outcomes through funding land transport infrastructure.
- Supporting the introduction of safer vehicles in the Australian fleet.
- Facilitating national change through relevant intergovernmental bodies and better monitoring and tracking of the National Road Safety Strategy.

## Australian Road Assessment Program – targeted funding to save lives

The AAA supports the reinstatement of a body similar to the former Federal Office of Road Safety which would be responsible for developing and implementing integrated road safety strategies and programs at the federal level.

The dedicated unit would have a transparent funding source, coordinate federal road safety activities, fund critical research projects while also ensuring that all states and territories are equipped with the tools to address emerging and critical issues in road safety. The transparent funding source would also allow the Federal Government to undertake national education campaigns in consultation with states and territories where a national response is required.

The AAA considers that the dedicated unit should be funded at the same level that existed when the former Federal Office of Road Safety was in place at around \$25 million per annum (equates to the 1995 resourcing level adjusted for inflation). This would require an increase to existing road safety departmental resourcing of around \$7 million per annum, bringing total resourcing across the forward estimates to \$25 million per annum.

### Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
\$25m	\$25m	\$25m	\$25m	\$100m

The AAA, through its program, the Australian Road Assessment Program (AusRAP), has analysed the safety of the major highways in the National Land Transport Network (NLTN), which connects Australia's capital cities.

In 2013, AusRAP analysis found nearly 40 per cent of the highways recorded an inadequate safety rating of only one or two stars, while the proportion of five-star roads was negligible.

AAA analysis shows that a national investment of \$4.7 billion would prevent 36,000 serious injuries and deaths on our highways over a 20-year period. It would also effectively return \$16.4 billion in terms of crash prevention and reduced social and economic costs of associated road trauma. Such an investment would return \$3.50 to the economy for every dollar spent.

In 2016, risk mapping was undertaken for 20,664 kilometres of Australian highway and identified stretches of the NLTN which most urgently require investment to improve safety. Risk mapping is based on crash and traffic volume data supplied by road authorities. It complements the 2013 findings by incorporating information on the real-life safety performance of our highways.

The key to safer roads is funding, but historically this essential area of public investment has lacked transparency, and consistency. This has made it difficult for policy makers and planners at all levels to properly plan and build road and complementary land transport projects, such as public transport.

Objective, risk-based safety assessments, such as those used in AusRAP analyses need to be an integral part of the process to identify and prioritise roads in need of investment and upgrade. If Australia is to meet its target of reducing road deaths and serious injuries by at least 30 per cent by 2020, reform of transport funding must begin now.

The AAA urges the Australian Government to implement cost effective safety upgrades, raise the overall star rating of the network and prioritise all road upgrades based on risk assessments going forward. Australian governments should undertake risk assessment of roads and publish star ratings consistent with the assessment protocols developed by the International Road Assessment Programme (iRAP).

### Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
\$1,175m	\$1,175m	\$1,175m	\$1,175m	\$4,700m



Prioritising road safety in infrastructure delivery

The Australian Government plays an important role in providing funding to states and territories for national highway, local road networks and other nationally significant infrastructure.

The Australian Government has several levers available to ensure road safety is prioritised through the investment process. These include:

- Linking grant payments to specific road safety project milestones.
- Setting aside a small amount of project funding as incentive payments linked to other road safety programs.
- Mandating the use of road safety audits with proven risk assessment methods for smaller scale project selection.

The cost of this proposal would be met within existing infrastructure funding commitments.

Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
Low or no cost to the Budget				

Inquiry into the National Road Safety Strategy 2011-2020

The AAA’s *Benchmarking of the National Road Safety Strategy* tracks progress against the NRSS target of reducing road deaths and injuries by at least 30 per cent by 2020. All Australian governments committed to the NRSS targets in 2011. After encouraging progress in the early years, the number of road deaths has trended upwards nationally since early 2015.

The AAA welcomed the Government’s announcement of a national inquiry into the NRSS as part of the 2017-18 Budget. The inquiry is an important step in understanding what has been successful under the NRSS and what has failed. This information will help guide the development of an effective set of national road safety policies for the next decade.

The AAA looks forward to playing an active part in the inquiry and urges the Government to formally respond to the resulting recommendations, and use the results to budget for targeted road safety interventions. These interventions can be delivered through AAA’s proposed dedicated unit responsible for developing and implementing road safety at the federal level. Additional funding may be required in future budgets.

Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
Low or no cost to the Budget				

## Prioritising Black Spot funding

The Black Spot Program has a proven track record of supporting projects that improve road safety outcomes. A report released in 2012 found that the 2,578 projects completed between 1996–97 and 2002–03 had prevented more than 4,000 crashes per annum, of which almost 30 would have been fatal.<sup>28</sup> In economic terms, the projects have achieved an estimated benefit–cost ratio of 7.7 at a 3 per cent discount rate.

The AAA has previously supported the amended eligibility criteria that allowed consultative panels to allocate up to 40 per cent of funding to sites on the basis of road safety audits. The AAA recommends road safety audits take into account research by AusRAP in order to help prevent 36,000 serious injuries and deaths on our highways.

The AAA welcomed the Australian Government’s commitment of \$500 million to the Black Spot Program from 2014-15 to 2018-19, which included an additional \$200 million over two years from 2015-16 to improve road safety across the nation. The AAA believes that funding for the Black Spot Program should be permanently increased from \$60 million to \$100 million per year.

The AAA remains concerned at the recent under-spends in the program and recommends the program guidelines be urgently reviewed to ensure funding can be allocated to projects in a timely and efficient manner.

### Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
\$40m	\$40m	\$100m	\$100m	\$280m

## Making the Australian vehicle fleet safer – continued support for the Australasian New Car Assessment Program (ANCAP)

The 2016-17 Budget committed \$1.1 million funding for the 2017-18 financial year and the AAA values the contribution the Government has made to date, however there is no funding certainty for ANCAP beyond this period. There is a strong case for the Australian Government to continue its support of ANCAP given that the availability of newer, safer cars will be critical to addressing the rising road toll.

From 1 January 2018, ANCAP will begin testing safety assist technology performance. The results will provide Australian consumers with more detailed vehicle safety information. The new tests will increase the cost of assessment, placing an additional burden on ANCAP to maintain fleet coverage of more than 90 per cent.

There has been significant effort made by ANCAP in recent years to leverage private sector support and increase financial and in-kind contributions. ANCAP received \$11.5 million in-kind by way of test data and test results obtained through ANCAP’s ongoing relationship with Euro NCAP. A significant level of support was seen from vehicle brands in 2016-17, contributing a further \$2 million. ANCAP has further leveraged private sector support through its relationships with the vehicle dealer network, CabCharge and Fairfax media.

Continued Australian Government funding past 2017-18 would allow ANCAP to:

- Build consumer, industry and regulatory confidence through independent performance testing of automated vehicle safety technologies.
- Increase communications and advocacy activities.
- Allow for skill enhancement of technical and test laboratory staff.
- Increase operational functions supporting the conduct of testing and the publication of results.



## Developing a national metric for measuring serious injuries – continued focus

To encourage Australians to buy safer cars the AAA recommends the Australian Government:

- Increase its contribution to ANCAP in 2018-19 to \$1.25 million, applying a CPI-based increase from the year of the Australian Government's initial funding commitment to ANCAP in 2009-10 and then a CPI increase for each year after.
- Direct the ACCC to develop a new advertising guideline for the portrayal and display of vehicle safety information. The new guideline would strengthen the Competition and Consumer Act 2010 meaning statements about safety made by vehicle brands, either at the point-of-sale or in general advertising, would need to reference the independent ANCAP safety rating.
- Mandate 5-star cars, with a date stamp of no more than three years old, for Australian Government fleet purchases.

### Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
\$1.25m	\$1.27	\$1.29	\$1.31	\$5.12m

The AAA welcomed the Government's commitment to fund the Australian Trauma Registry as an interim measure for counting serious road injuries. The registry will gather better data on the number and type of severe injuries due to road crashes. The AAA and the Royal Australasian College of Surgeons have, for some time, been advocating for the Government to make this important investment in road safety.

While the Australian Trauma Registry provides data on severe injuries, there is a need to gather national data on serious injuries across a range of severities and to link these to data on individual road crashes.

The AAA is very supportive of the project being undertaken by Austroads to assess the feasibility of linking the National Hospital Morbidity Database with crash data. Although the Transport and Infrastructure Council recently reaffirmed its commitment to the pilot project and Ministers agreed to support the efforts within their jurisdiction to gain the necessary approvals and data by March 2018, project outcomes and timelines remain uncertain. A continued focus needs to be maintained on developing a national database that accounts for and tracks all serious injuries across Australia.

### Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
Low or no cost to the Budget				

Ensuring foreign aid is dedicated to road safety

The *United Nations Decade of Action for Road Safety: 2011-2020*, to which Australia is a signatory, aims to stabilise and reduce the forecast level of road traffic fatalities around the world.<sup>29</sup> It is estimated there are around 1.3 million lives lost worldwide as a result of road crashes each year. It is estimated that with affective action, 5 million lives can be saved on the world’s roads over the period to 2020.<sup>30</sup>

Australia can contribute to making this goal a reality by supporting its international partners in the Asia Pacific region.

Future international development assistance provided by the Australian Government should be directed towards projects that deliver tangible improvements through the inclusion of road safety criteria as a condition of funding. This outcome could be achieved within existing foreign aid funding allocations.

Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
Low or no cost to the Budget				



A blurred photograph of people boarding a yellow bus. The image is taken from a low angle, focusing on the lower legs and feet of passengers as they step onto the bus. The bus has a bright yellow exterior. A dark grey rectangular box is overlaid on the center of the image, containing the section title in bold, sans-serif font. The background is out of focus, showing more people and the interior of the bus.

## **SECTION TWO**

# **THE COST OF TRANSPORT**



## Overview

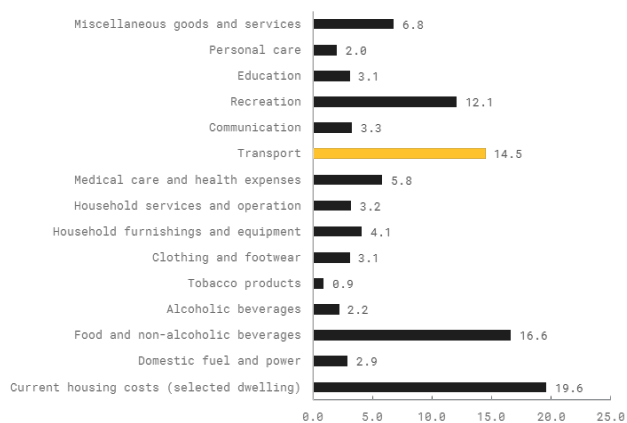
Transport represents a significant, and in most cases unavoidable, cost for Australian households. Each year, motorists pay billions of dollars to federal, state and territory governments in transport related taxes and charges. In 2014-15 road related taxes and charges totalled almost \$29 billion.<sup>31</sup> It is difficult to identify another area of economic activity in Australia that is taxed as heavily as motoring.

This contribution made by motorists consists of taxes associated with all elements of buying and operating a car over its lifetime. Taxes are collected when a motorist purchases a vehicle (stamp duty, GST, customs duty on cars purchased overseas, and for some car purchases, the Luxury Car Tax); and taxes or charges associated with operating the vehicle (state-based registration, driver licence fees, fuel excise, GST on excise, and potentially Fringe Benefits Tax).

In 2016, the AAA released its first Transport Affordability Index to provide Australians with a detailed breakdown of the cost of transport, while also tracking changes over time in Australia's metropolitan cities and regions. In addition to taxes and charges, the Index looked at the range of other expenses incurred by households including loan repayments, insurance, servicing costs, fuel costs, public transport, parking and increasingly, road tolls.

The most recent Transport Affordability Index, released in September 2017, found the average Australia metropolitan family spent around 14 per cent of their household income on transport. In comparison, the ABS Household and Expenditure Survey found that expenses relating to household energy consume a far smaller share at around 2 per cent.<sup>32</sup>

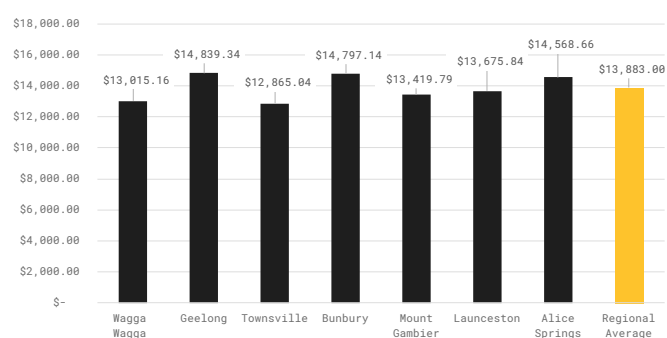
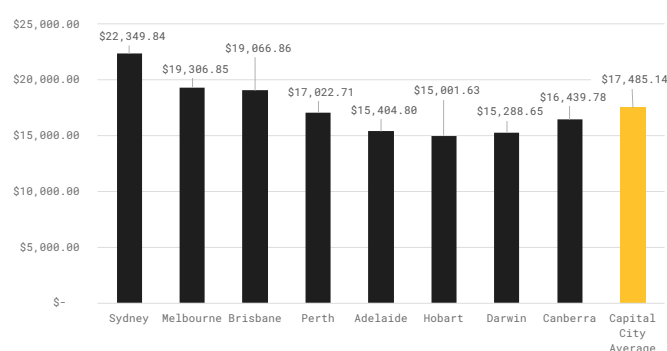
### ABS household expenditure in 2015-16



Source: ABS Household Expenditure survey 2015-16. (percent of total expenditure)

The most recent report also found that average transport costs across Australia's capital cities are increasing. The average family in metropolitan Australia was paying around \$17,294 per year on land transport, up from \$16,894 for the same period in 2016. At the most expensive end, the average family in Sydney was paying around \$22,350, while the annual cost of land transport was lowest in Hobart at \$15,002. In regional locations, the average family was paying around \$13,883 per year on land transport.

### Total yearly transport costs by capital and regional city Q3 2017



Source: AAA Transport Affordability Index: September 2016

As transport costs continue to increase for Australian families, the AAA is calling for all levels of government to refocus on taxes and charges. Fuel excise, registration, CTP and licensing alone cost the average two-car family around \$2,680 a year. This underscores the need for government policies in all areas to minimise costs for consumers.



## Renewed commitment by the Government for the ACCC's fuel monitoring activities

The Government should renew and extend its commitment to the ACCC's fuel monitoring activities.

On 9 December 2014, the Australian Government directed the ACCC to monitor the prices, costs, and profits relating to the supply of unleaded petroleum products and report at least quarterly for a period of three years.

There are two types of reports under the new monitoring arrangements which include; quarterly "macro" reports which look at petrol price movements and what drives them overall; and market studies looking at "micro" issues in considerable depth, including analysis of price drivers of petrol in regional markets. These reports indicate whether consumers are paying a fair price for the fuel they purchase.

The AAA believes the increased monitoring activity has greatly benefited consumers and there are signs the investigations into regional markets including Darwin, Launceston, Armidale and Cairns, are delivering results.

The ACCC's report on the Armidale petrol market, released on 21 November 2016, found that when the ACCC announced the market study, retail E10 prices in Armidale were around 147 cpl. However, following the announcement, prices decreased for the rest of 2015, finishing the year at around 129 cpl, a decrease of around 18 cpl.<sup>33</sup>

ACCC Chairman Rod Sims said: "although pricing to achieve very high margins is not against the law, it can be helpful in some circumstances for the ACCC to highlight where competition is inadequate. This is especially so where consumers are paying higher prices than they should be, particularly where significant public interest has been expressed."<sup>34</sup>The AAA supports extending the ACCC's increased fuel monitoring activities past the original three years directed by the Australian Government.

## Recommendation

The Australian Government renew and extend its commitment to the ACCC's fuel monitoring activities.

## Removal of tariffs on imported vehicles and abolish the Luxury Car Tax

### *i. Tariffs on imported vehicles*

The Government has the opportunity to improve affordability and environmental sustainability of motor vehicles by removing taxes designed to protect the local vehicle manufacturing industry.

The AAA recognises there have been significant reductions in tariffs charged due to trade agreements reached with Japan, Korea, the USA and Thailand – four of our five largest passenger vehicle markets. Toyota reported that prices came down from the start of 2015 by around \$800 on their most affordable Yaris range, while some of the more expensive models attracted reductions as high as \$7,630.<sup>35</sup>

The AAA welcomes the Government's intention to finalise an agreement with the European Union (which represents 32 per cent of total car imports<sup>36</sup> to Australia) which would potentially save consumers around \$676 million over the forward estimates.<sup>37</sup> However, with the cessation of vehicle manufacturing in Australia, the AAA strongly believes the 5 per cent tariff that applies to imported vehicles should be immediately removed across the board.

Making vehicles more affordable encourages fleet renewal. Lowering the age of Australia's light vehicle fleet could generate benefits of up to \$19.7 billion over 20 years, as well as saving up to 1,377 lives. Additionally, the direct savings to government are estimated at \$3.3 billion.<sup>38</sup>

The AAA strongly supports the removal of tariffs on imported vehicles, saving consumers around \$2,112 million over the forward estimates.

## Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
\$480m	\$510m	\$560m	\$562m*	\$2,112m

\*AAA prediction based on historical average

## Mandatory agreement on access to service and repair information – resourcing

Access to technical service and repair information from the car manufacturer is critically important to complete a service or repair on a modern vehicle. The ACCC market study on the new car retailing industry recommended in its draft report that the current voluntary agreement on access to service and repair information be replaced with a mandatory scheme. The commission found that independent repairers were experiencing ongoing problems with accessing this technical information.

The AAA supports the introduction of a mandatory scheme. The AAA is concerned that the current lack of access to service and repair information will restrict competition, ultimately leading to higher service and repair costs for consumers. The AAA believes that consumers should be able to choose who services their vehicle, unrestricted by who has access to service and repair information from the car manufacturer.

For a mandatory scheme to be effective, it must be enforceable. The Government should ensure that a new mandatory agreement on access to service and repair information is introduced and adequate resources are made available for its administration.

### Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
Low or no cost to the Budget				

\*AAA prediction based on historical average

## ii. Luxury car tax

The luxury car tax (LCT) is an inefficient tax that targets vehicles that are often the leaders in providing safety and environmental benefits.

Removing the LCT will contribute downward pressure on new vehicle prices and encourage fleet renewal. Lowering the age of Australia's light vehicle fleet could generate benefits of up to \$19.7 billion over 20 years, as well as saving up to 1,377 lives. Additionally, the direct savings to government are estimated at \$3.3 billion.<sup>39</sup>

As a first step, the AAA supports a phased removal of the LCT, starting with an increased threshold of \$100,000 for electric vehicles, given the potential environmental benefits a future electric fleet could bring to Australia. This measure would have a minimal impact on the budget given that:

- electric vehicles represented only 0.02 per cent of new vehicle sales (or 219 sales) in 2016 according to VFACTS data (not including Tesla sales);
- Tesla sales have been estimated at 1,060 per year,<sup>40</sup> however the most popular models in Australia (Model S and Model X) retail at above \$100,000; and
- the majority of non-Tesla electric vehicles sold in Australia<sup>41</sup> are under the current LCT threshold for fuel-efficient vehicles of \$75,526.

Although having a negligible budget impact, the increase of the LCT threshold for electric vehicles would demonstrate Federal Government support for electric vehicle deployment.

Removing this inefficient tax altogether would save consumers around \$2,782 million over the forward estimates.

### Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
\$640m	\$690m	\$720m	\$732m*	\$2,782m

\*AAA prediction based on historical average





# **SECTION THREE** **CONGESTION IN OUR CITIES**

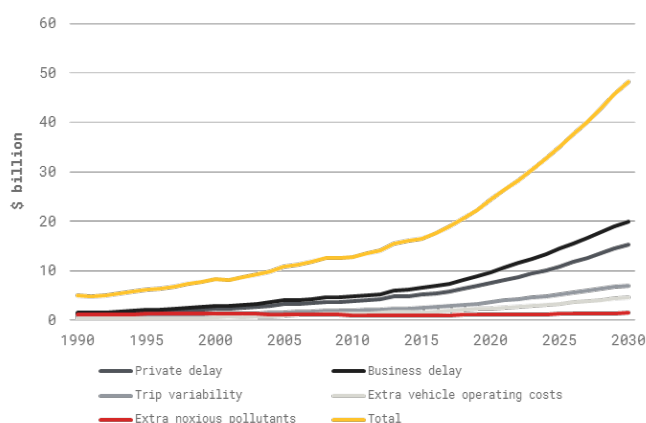


## Overview

With congestion in our capital cities set to double by 2030, the Australian Government has two main avenues for addressing bottlenecks. These are firstly; adequate funding for land transport infrastructure and secondly, initiatives that ensure the current transport system achieves maximum efficiency.

It is essential that the Australian Government adequately resource priority public transport infrastructure projects and actively promote new technologies that improve network performance.

### Avoidable congestion costs (2010 dollars)



Source: Bureau of Infrastructure, Transport and Regional Economics (November 2015)

### Fuel excise revenue and road funding – a fair go for motorists where at least 50 percent of net excise is returned in infrastructure spending

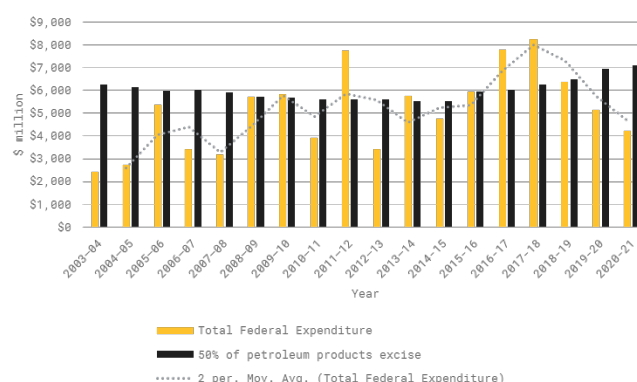
The AAA has consistently called for the Government to provide a clear link between the taxes motorists pay and expenditure on land transport projects. Motorists make significant, and on-going contributions to the Government's revenue base through fuel excise. However, the funding is not earmarked for expenditure on the transport network and instead flows through to consolidated revenue. The process of directing funding to land transport is complex and lacks transparency.

The establishment of a clear link between the taxes paid by motorists and transport infrastructure investment outcomes will be critical in building the level of public support required to undertake necessary transport market reform.

Research conducted by the AAA in 2015 found 38 per cent of Australian motorists believed 100 per cent of fuel excise revenue should be spent on major land transport projects. A further 47 per cent of motorists believed that more than 50 per cent of fuel excise revenue should be spent on major land transport projects.

The graph below clearly shows that this expectation has not been met. The moving average trend line for federal expenditure is irregular even while net fuel excise has remained relatively static.

### Comparison of 50 % net fuel excise and land transport expenditure by the Federal Government



Source: BITRE from 2003-04 to 2014-15, 2017-18 Budget Paper 1 for years 2015-16 to 2020-21.

Consistent with Australian motorists' expectations, the AAA is strongly of the view that a guaranteed minimum of at least 50 per cent of fuel excise revenue, net of fuel tax credits, should be earmarked transparently for land transport infrastructure funding.

This would require an Australian Government investment of more than \$28 billion over the forward estimates. The current budget forecast of Australian Government investment in land transport infrastructure is only around \$18.9 billion.<sup>42</sup>

### Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
\$6,468m	\$6,963m	\$7,101m	\$7,530m*	\$28,062m

\*AAA prediction based on historical average



## Transport market reform – budget for findings of study into road user charging

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The AAA was a strong advocate for establishing a public inquiry into road user charging and welcomed the Australian Government's commitment in November 2016 to establish a study, chaired by an eminent Australian, to investigate the potential impacts of road user charging reform on road users.

The majority of Australian motorists are unaware they pay over 40 cents in excise on every litre of fuel. For this reason, the AAA is calling for the Australian Government to disclose the amount of excise paid on fuel tax invoices in the same way GST is currently displayed. This will assist motorists to better understand the road user charging debate.

The primary objective of the study should be to educate and engage with the community about the limitations and inequity embedded in the current road user charging model.

The study should also:

- consider how transport market reform and road user pricing could replace current fees and charges and be directly linked to land transport infrastructure investment;
- build on work undertaken by the Productivity Commission, the Harper Review and Infrastructure Australia and identify a transitional pathway to a more transparent, efficient and equitable transport market, supported by appropriate regulatory controls and funding models.

The AAA looks forward to consultation opportunities in the coming months and will continue to engage with the broader community on transport market reform to achieve three broad objectives: 1) demonstrate the problems with the current revenue and funding models; 2) articulate road pricing as a solution; and 3) demonstrate how the community would benefit from reform.

## Recommendation

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The AAA is urging the Australian Government to:

- commence and formally respond to recommendations from the study into road user charging and the investigation into the independent price regulation of heavy vehicles;
- consult extensively with the AAA as the study into road user charging progresses to ensure motorists are fully represented; and
- commit to educating consumers about the failings of the current model by including fuel excise on petrol station tax invoices and funding government road user charging trials.





## **SECTION FOUR** **THE STATE OF OUR NATIONAL INFRASTRUCTURE**



## Overview

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The AAA believes the priority for this and future budgets should be strong investment in land transport infrastructure. Funding, including investment in early planning and securing transport corridors, is needed to help keep pace with Australia's population growth. Infrastructure investment is critical to avoid worsening congestion in our cities, increased vehicle emissions, road safety risks, and the deterioration of our national highways and freight routes.

The Government has committed funding towards a number of priority projects, but some crucial road and public transport projects have not yet been funded. A complete list of priority projects can be found at Appendix A to this submission.

In refining its infrastructure investment program, the AAA and its member clubs urge the Government to:

- commit funding to those projects which have not yet received any Federal funding;
- increase investment in road maintenance;
- provide additional funding where appropriate; and
- bring funding forward for projects where appropriate.

## Support for strong infrastructure governance

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The AAA has been supportive of Government initiatives, such as the reforms to Infrastructure Australia; the development of the Asset Recycling Fund and the release of Infrastructure Australia's Infrastructure Priority List.

It remains important that we utilise all economically sound options to fund critical land transport infrastructure, with an emphasis on Infrastructure Australia's Infrastructure Priority List and the projects listed at Appendix A of this submission. Consideration should be given to alternative funding models, including greater private sector participation. The Australian Government should also prioritise measures that ensure a better use of the revenue from motoring taxes and transition to more appropriate road user charging.

The governance and selection frameworks that support such initiatives need greater transparency and accountability. The AAA strongly supports the establishment of hypothecated land transport funds, with a robust governance framework, to ensure projects are selected based on the greatest economic return.

## Recommendation

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The Australian Government continually seek to bolster the governance arrangements around the selection and funding of land transport infrastructure and prioritise projects included on Infrastructure Australia's Infrastructure Priority List.

A close-up, low-angle shot of the front of a silver car. The image is dominated by the car's headlight and grille, which are in sharp focus. The background is a blurred, light blue-grey surface, possibly a road or a wall. The overall tone is cool and professional.

## **SECTION FIVE**

# **ENSURING AUSTRALIA HAS A ROBUST, COST EFFECTIVE, VEHICLE EMISSIONS FRAMEWORK**



Overview

The AAA strongly advocates for greater transparency around vehicle compliance with noxious emission standards and claimed fuel efficiency.

Recent emission scandals in the automotive industry have highlighted Australia’s lack of independent real-world testing to authenticate manufacturer claims around emissions and fuel usage. Further, with the Australian Government considering stricter emissions standards and the likely introduction of a mandatory fuel efficiency standard for new light vehicles, it is imperative that decisions are made with relevant and accurate information.

In 2016, the AAA commissioned a study of 30 vehicles to clarify how real-world emissions differed from those observed in a laboratory setting. The results of the emissions testing program indicate consumers are being provided with misleading information when making purchasing decisions based on fuel consumption or environmental performance.

The results show emissions of noxious gases in the real world can be up to seven times the regulatory limits, and fuel efficiency and CO2 emissions up to 59 per cent more than advertised. Eleven out of twelve diesel cars tested were above the limit for one or more noxious gases, with one car emitting more than seven times the limit. Only three cars used the same amount of fuel on the road as they did in the laboratory. The test program also showed that vehicles used 23 per cent more fuel on average in real world conditions, while eleven out of the twelve diesel cars exceeded legal limits for noxious emissions.

In addition to real-world testing, there is a general acceptance that electric vehicle sales will need to increase substantially to meet the Government’s proposed CO2 standard target. The increasing presence of electric vehicles (EVs) may provide cost effective emission reductions, when linked to a cleaner supply of electricity, plus a broader range of economic and air quality benefits.

Real world vehicle emissions testing – empowering Australians to make better informed choices that suit their family budget, health, and their concern for the environment

After the Volkswagen emissions scandal in 2015 the AAA and its member clubs committed to testing the difference between emissions in the lab and in the real world. The results have shown the lab testing system is well and truly broken and consumers and policy makers are being misled.

Emissions regulations currently only require a standard laboratory test. Our tests show that as emissions regulations get stricter, vehicles are meeting lab requirements through the use of technologies that don’t necessarily deliver the same benefit in the real world. This means emissions standards are not driving down emissions.

Real-world testing is urgently needed in the Australian car market to ensure consumers and policy makers are basing decisions on real-world performance. The AAA proposes a test program modelled on the European Union on-road testing standard but modified to take account of Australian conditions, allowing for variations such as higher urban speeds, lower highway speeds and warmer climate.

The AAA is seeking Government support for a \$3.5 million per annum program of real-world emissions testing to provide information to consumers. The program could be funded through a \$3 levy on every new car sold in Australia which would ensure consumers had access to real-world testing information for 60 per cent of new cars available on the domestic market.

Total Funding Required

2016-17	2018-19	2019-20	2020-21	TOTAL
\$3.5m	\$3.5m	\$3.5m	\$3.5m	\$14m

## Providing user friendly information on emissions based on real world results

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The current Green Vehicle Guide (GVG) publishes information supplied by vehicle manufacturers. However, as noted above, the fuel consumption figures achieved in the regulatory tests are rarely achieved in real-world driving conditions.

The AAA believes information gained from real-world emissions testing would provide a useful information source for consumers and could be incorporated into the GVG.

The AAA also believes the GVG should return to its former star rating approach to ensure consumers are provided with information that is easily understood.

The cost of this initiative could be met within existing departmental resources.

### Total Funding Required

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2018-19	2019-20	2020-21	2021-22	TOTAL
Low or no cost to the Budget				

## Incentivising uptake of Electric Vehicles

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It is generally accepted that sales of electric and other high efficiency vehicles will need to increase substantially to improve the performance of the Australian vehicle fleet.

The Australian Government must be able to demonstrate how it expects to achieve a significant uptake in electric vehicles, as experiences in Europe indicate that adoption rates are extremely sensitive to financial incentives.

The AAA believes the Australian Government should:

- consider federal tax related incentives (i.e. changes to LCT or FBT) to encourage adoption of electric and other high efficiency vehicles;
- incentivise research and development in electric vehicle batteries and other associated technologies through the provision of grant funding and taxation exemptions; and
- establish an inter-governmental working group, representing governments, industry and consumers, tasked with establishing a roadmap for the co-ordinated transition to electric road transport, including the deployment of associated infrastructure.

The AAA considers that research and development incentives could be funded through existing programs/funding mechanisms for example the Clean Energy Finance Corporation and would have minimal budget impact.

### Total Funding Required

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2018-19	2019-20	2020-21	2021-22	TOTAL
Low or no cost to the Budget				



“...the lab testing system  
is well and truly broken  
and consumers and policy  
makers are being misled.”

# **SECTION SIX**

## **ENSURING AUSTRALIANS RECEIVE MAXIMUM BENEFIT FROM TECHNOLOGICAL ADVANCES IN MOTORING**





## Overview

Australia's motoring clubs are leading the way in automated technology, with several clubs involved in trials that test the use of high level automation on our roads. Automated vehicles are expected to revolutionise the motoring industry, by challenging the concept of mobility, and leading changes in the global economy.

The potential benefits of a wide-scale adoption of automated vehicles are extensive. These encompass areas of safety, congestion, emissions, and cost of car ownership.<sup>43</sup>

There are also other benefits to be realised. Automated vehicles are expected to result in the further creation of innovative technology, opening up opportunities across various sectors. Some studies suggest that automated vehicles may also improve urban networking planning through the collection of real-time information.<sup>44</sup>

However, there are costs involved with the uptake of increasingly automated vehicles. Access to vehicle data is of key concern to the AAA and its member clubs. As cars become more highly automated, the AAA is concerned that a precedent may be set for the future, and motorists may lose control of and access to data collected in highly automated or autonomous vehicles.

## Unlocking the benefit of automated vehicle technology

Australia's motoring clubs have been active participants in automated technology trials across the nation.

Since the commencement of the RACWA's trial, more than 10,100 people have booked a ride on the RAC Intellibus™. The RAC Intellibus™ has sparked conversation on further trials, research and collaboration which would increase understanding of how driverless vehicles could integrate into the transport system. The trial has also helped inform the development of a roadmap of changes that would need to occur for driverless vehicles to safely transition on to our roads.

The National Transport Commission (NTC) has been directed to develop end-to-end regulation for all levels of automated vehicles by 2020. Federal Government leadership will be required to ensure a consistent approach is applied to regulation across Australia's state and territory governments.

In order to support the rollout of vehicles with increasing levels of automation the Australian Government should:

- Work actively with state and territory governments to incentivise the development, testing and roll-out of vehicles with increased automation including supporting further trials.
- Seek to harmonise legislation that will ultimately allow the operation of these vehicles on the road network.
- Support research projects that seek to better prepare all Australian governments for a sustainable future with highly automated and autonomous vehicles.
- Publicise lessons learned through the trials and communicate those through relevant intergovernmental bodies.

## Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
Low or no cost to the Budget				

Access to vehicle data – ensuring Australians receive the greatest benefit from connected cars

Any restriction on access to vehicle data or service and repair information would stifle competition in the service and repair market and create issues with determining liability when an Automated Driving System is engaged.

While this has potential for significant consumer detriment, current laws do not adequately prevent vehicle manufacturers from restricting third party access to their technical service and repair information and vehicle data. The issue around liability is also complex with several models currently under consideration by the NTC.

The AAA believes consumers should have full access to car data in order to ensure a competitive aftermarket sector and also support the roll-out of automated vehicles.

The AAA urges the Government to respond to and act on recommendations from current inquiries relating to vehicle data access including:

- Productivity Commission’s review into Data Availability and Use;
- NTC’s upcoming project that seeks to clarifying regulatory access to vehicle data; and
- ACCC’s Market Study of the New Car Retailing Industry.

Total Funding Required

2018-19	2019-20	2020-21	2021-22	TOTAL
Low or no cost to the Budget				





“Automated vehicles are expected to revolutionise the automotive industry by challenging the concept of mobility...”

# Appendix A – Priority List: Road and Transport Infrastructure

Project Location/ Name	Project Description	Estimated Cost
NSW/ACT		
1. M1 Motorway extensions	SouthConnex Corridor (M1 Princes Motorway extension) and road upgrades to Sydney Airport and Port Botany.	\$9,000m
	M1 Pacific Motorway extension to Raymond Terrace.	\$4,000m
2 Local Council Road Maintenance Backlog	Increase Roads to Recovery Funding to address local road funding shortfalls.	\$2,000m
3 Northern Beaches Transport Corridor	Western Harbour Tunnel: Third road crossing Rozelle (north extension node of Westconnex) across Sydney Harbour to North Sydney.	\$6,000m
	Northern Beaches Link: Potential road, bus and rail options to improve connection to the Northern Beaches.	
4 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.	\$7,000m
5 Passenger Rail Upgrades	Western Line Rail Capacity Improvements: Connectivity between Parramatta and Sydney CBD, Access to Western Sydney Airport.	\$6,500m
	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.	\$4,000m
6 Canberra Public Transport	Improve public transport capacity - Indicative Bus Transit Corridors Canberra CBD to Belconnen and Capital Hill to Queanbeyan	TBA
7 Canberra Metro Stage 2	Secure funding/procurement commitments for Metro Stage 2, linking Metro with major town centres and Canberra Airport	TBA
Total (Millions \$)		\$46,500m
VICTORIA		
1 North East Link	Development of a new freeway link between the Metropolitan Ring Road at Greensborough and Eastern Freeway to reduce congestion and capacity constraints.	\$16,000m
2 West Gate Tunnel	Build the West Gate Tunnel project and widen and implement a managed motorway along the Monash Freeway to Pakenham.	\$6,000m
3 Metro Rail Tunnel	Deliver funding for the Melbourne Metro project (underway).	\$11,000m
4 Regional Highway Duplications, Safety and Maintenance package	Complete the three regional highway duplications;	\$943m
	Implement regional highways AusRAP safety and maintenance program;	\$2,000m
	Complete planning and commence Stage 1 of the Shepparton Bypass.	\$1,000m
5 Melbourne Airport Rail Link	Construction of a high speed direct connection between Melbourne CBD and Melbourne Airport	\$5,000m
Total (Millions \$)		\$41,943m



Project Location/ Name	Project Description	Estimated Cost
QUEENSLAND		
1 Bruce and Warrego Highway	Bruce Highway project includes major upgrades and realignments of the highway, strengthening works, plus a range of safety treatments including additional overtaking lanes and rest areas	\$8,500m
	Warrego Highway project includes major upgrades to the highway between Toowoomba and Miles as well as Ipswich to Toowoomba safety improvements	\$1,200m
2 Pacific Motorway	Pacific Motorway – complete six lanes and interchange upgrades between Varsity Lakes and Tugun and upgrade to eight lanes from Gateway Motorway to Loganholme, to improve safety and capacity	\$5,500m
	Develop Intra-Regional Transport Corridor (IRTC) from Stapylton-Jacobs Well Road to Nerang-Broadbeach Road as a multi-modal corridor to relieve pressure on the M1	\$1,000m
3 Cross River Rail	New rail tunnel to provide a second river crossing and add capacity in inner Brisbane.	\$5,300m
4 Inland Queensland Road Action Plan (IQ-RAP)	Inland regional road upgrade program including the development of alternative Inland Highway route to the Bruce Highway	\$5,000m
5 Beerburrum to Nambour Rail Upgrade	Duplication of the North Coast Rail Line on an improved alignment between Beerburrum and Landsborough and other upgrades to Nambour, to take pressure off the Bruce Highway.	\$664m
Total (Millions \$)		\$27,164m
SOUTH AUSTRALIA		
1 North-South Corridor	Funding is required to enable design and construction of the remaining sections of the N/S Corridor between the River Torrens and the northern project boundary of the current Darlington upgrade to be completed within the 10 year time frame originally announced by the Federal Government. RAA notes that the State Government has lodged a submission for funding with Infrastructure Australia to construct the section between Pym Street and Regency Rd which is ready for construction. RAA wants construction of this section to commence before the completion of the adjacent Torrens River to Pym Street Project to maintain continuity of work.	\$2,300
2 Augusta Highway	Improve safety and productivity between Port Wakefield and Port Augusta. Augusta Highway is the principal link to the north of the State for freight, tourism and regional access carrying over 20% commercial vehicles on average. Investment is necessary to bring the corridor up to a minimum of 3 star rating (source AAA AusRAP Star Rating of the National Highway Network 2013) including duplication from Pt Augusta to Snowtown, safety improvements, shoulder sealing and priority treatments as identified in the Dept for Transport's Port Augusta Road Management Plan.	\$900m
3 Dukes Highway	Duplication of road from Taillem Bend to Keith. There have been improvements to this corridor with the introduction of the wide centre line median treatment but this section of the corridor carries on average 35% commercial vehicles many of which are B-doubles. Therefore investment in duplication of this section is required to meet future growth with safety.	\$800m

# Appendix A continued...

Project Location/ Name	Project Description	Estimated Cost
4 Joy Baluch Bridge	RAA calls for the existing bridge to be duplicated to provide increased capacity on this critical link of the National Highway Network to the north of the State. Duplication of the bridge would reduce delays, improve availability and address pedestrian access and safety issues with the existing bridge. The State Government has recently announced it would commit \$40m towards the cost with a contribution of \$160m required from the Federal Government to meet the estimated cost of \$200m.	\$160m
5 Gawler Rail line	Electrification of the remaining section of the Adelaide to Gawler rail line. State Government has committed to upgrade the section from Adelaide to Salisbury and associated works to value of \$152.5m Government has committed half of the total cost of \$462m to complete electrification of the remaining section of the line and associated works.	\$231m
Total		\$4,391m
WESTERN AUSTRALIA		
1 Public transport infrastructure	Commit funding towards the 17.5km extension of the Thornlie rail line to provide one of the first links in Perth's orbital rail network.	\$536m
	Commit funding towards Perth light rail to enhance economic productivity, transport safety and sustainability outcomes in WA.	\$1,800m
	Commit funding towards heavy rail between Perth city centre and Morley Strategic Centre to increase public transport accessibility and fill the public transport void in Perth's densely populated northern corridor.	\$2,800m
2 Rating and improving the safety of roads	Commit funding to implement the remaining aspects of the Safer Roads Investment Plan for the WA National Highway Network, as rated in 2013, to remediate the 27 per cent of the network which recorded an AusRAP star rating of just one or two stars.	\$430m
	Commit funding towards a rolling program to rate the safety of strategic arterial roads across the State to inform the development of a Safer Road Investment Plan(s) of essential safety treatments.	\$650m
3 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
4 Major highway grade separations and road upgrades	Continue to commit funding towards the rolling program of grade separations and associated upgrades on the Reid, Tonkin and Roe highways to bring these nationally significant orbital corridors up to freeway standard.	\$260m
	Commit further funding towards the completion of the Bunbury Outer Ring Road to provide an efficient and safe road network around WA's second city, Bunbury.	\$800m
	Commit funding towards the completion of Albany Ring Road (stages two and three) to provide an efficient and safe road network around Albany.	\$137m



Project Location/ Name	Project Description	Estimated Cost
5 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		\$8,083m
TASMANIA		
1 Bridgewater Bridge	Replace existing infrastructure and improve traffic flow and connection from Midlands Highway to Brooker Highway.	\$600m
2 Domain/Brooker Highway	Improve safety and traffic flow from Brooker Highway onto and through Domain Highway.	\$50m
3 Sandfly/Huon Highway intersection	Safety upgrades to highway intersection to improve line of sight and traffic merges.	\$21m
4 Bass Highway 10 year plan	Increase highway to a minimum AusRap 3 start rating.	\$400m
5 Eastern Hobart approach	Increase capacity and improve traffic flow on the eastern approach to the Hobart CBD, including the Sorell/Midway Point causeways, airport roundabout and Tasman Bridge.	\$300m
Total		\$1,371m
NORTHERN TERRITORY		
1 Stuart Highway	Upgrade the Stuart Highway from Darwin to Pine Creek.	\$110m
Total		\$110m
Australian Total		\$127,531m

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# Endnotes continued...

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