



2017-18 PRE-BUDGET SUBMISSION



Australian
Automobile
Association

Submission January 2017





Table of contents

<u>Foreword</u>	6	Luxury Car Tax	29
<u>Concerns of Australian road users</u>	8	<u>Section Four: The State of Our National Infrastructure</u>	30
<u>Emerging issues affecting Australian motorists</u>	9	Overview	31
<u>Making the case</u>	10	Support for strong infrastructure governance	31
Investment unlocking economic growth	11	Road user charging reform	32
Underinvestment is holding Australia back	11	<u>Section Five: Ensuring Australia has a robust, cost effective, vehicle emissions framework</u>	34
<u>Budget snapshot</u>	12	Overview	35
<u>Section One: The safety of our roads</u>	16	Vehicle emissions audit program	35
Overview	17	User friendly information on emissions	36
Keys2drive	17	<u>Section Six: Ensuring Australians receive maximum benefit from forthcoming technological advances in motoring</u>	38
Australian Road Assessment Program	18	Overview	39
Inquiry into factors underlying the rising road toll	19	Unlocking the benefit of automated vehicle technology	39
Prioritising Blackspot funding	19	Connected cars	40
Continuation of the ANCAP and Used Car Safety Ratings	20	Appendix A - Priority List: Road and Transport Infrastructure	42
Developing a national metric for measuring serious injuries	21	Footnotes	45
Ensuring foreign aid is dedicated to road safety	21		
<u>Section Two: Congestion in our cities</u>	22		
Overview	23		
Fuel excise revenue and road funding	23		
The use of smart technology to manage the transport network	24		
<u>Section Three: The cost of transport</u>	26		
Overview	27		
ACCC's fuel monitoring activities	28		
Vehicle importation laws	28		
Tariffs on imported vehicles	29		

Foreword

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

In a nation as vast and vibrant as Australia, transport systems and the efficient delivery of individual transport options are central to our way of life. With our relatively small population, spread across increasingly sprawling cities and across our regions, it's land transport that connects the Australian community and underpins the Australian economy.

Our roads and rail systems are central to Australians being connected with family and with opportunity – be that a trip across town to a job, or the on-time arrival of agricultural produce at a port. Given the centrality of road and rail to the Australian way of life, any diminution in these assets, or any obstacles Australians face in accessing safe or affordable transport options, significantly impact our society and our economy.

The AAA recognises the fiscal challenges facing the Federal Budget and believes Australia's economic situation demands resources being directed in a manner that will raise living standards and provide the greatest return on investment.

The need for continued strong investment in productivity-building land transport infrastructure is self-evident. The Australian Government says land transport congestion cost the Australian economy \$16.5 billion in 2015 and Infrastructure Australia says this figure will grow to more than \$53 billion per annum by 2031.

However a strong case also exists for the Australian Government to significantly increase its investment in programs capable of addressing the nation's worsening road safety performance.

The Federal Government estimated road trauma to cost the national economy \$27 billion per annum in 2009 (using 2006 prices). After almost 40 years of continuous decline in the road toll, 2016 saw Australia record its worst road fatality rate in five years; with 1,300 lives lost and a 7.9 per cent annual increase. The AAA is now calling on the Australian Government to establish a national inquiry into the factors underlying this dramatic change so that evidence-based policies can increase the number of safer drivers, driving safer cars, on safer Australian roads.

A strong case also exists for the implementation of policy that addresses the increasing cost of transport and its impact upon family budgets and economic mobility. The AAA's latest Transport Affordability Index found the average Australian household is now spending \$16,894 a year on land transport, which is more than 13 per cent of average household income. Government policy must be designed and reviewed to minimise the cost to consumers and in this regard the AAA calls for the Government to remove import taxes – originally designed to protect Australia's soon-to-be non-existent automotive sector. Not only will the continuation of these taxes cause Australians to pay an extra \$5 billion for new vehicles over the forward estimates, they will also retard the uptake of vehicle technologies needed to improve safety and environmental performance.

The AAA has also identified emerging issues that will affect the Australian community into the future, including developing a robust vehicle emission framework and ensuring Australians receive maximum benefit from forthcoming technological advances in motoring. Within these broad themes the AAA has identified a number of initiatives that we believe should be considered for inclusion in the 2017-18 Budget. A summary can be found at 'Our Budget Snapshot' on page 12.

Funding initiatives of critical importance to the AAA include:

- continuation of an enhanced keys2drive program capable of reducing risk of death and injury amongst young drivers. Currently there is no commitment to fund this program past 1 July 2017;
- establishment of a national inquiry into the factors underlying the rising road toll so that evidence based policies can be developed to target identified road safety priorities;
- removal of the five percent tariff on imported vehicles and the Luxury Car Tax, saving consumers almost \$5 billion over the forward estimates and facilitating the faster uptake of vehicle technologies needed to improve safety and environmental performance;
- establishment of a new regulatory regime that supports real world emissions testing in Australian road conditions; and
- a commitment from the Australian Government to increase investment in land transport infrastructure and guarantee that at least 50 percent of net fuel excise revenue will be earmarked for infrastructure in future years, establishing a transparent link between excise and infrastructure investment.

Concerns of Australian road users

1

The safety of our roads

Top concern for 1 in 3 people surveyed

Fact: After 40 years of continuous improvement, Australia's national road toll has again increased in 2016, with 1,300 Australians killed on our roads: an increase of 7.9 per cent on the previous year. Around 625 Australians are seriously injured on the road each week¹ and it is estimated that road trauma costs the Australian economy **\$34 billion a year²** in today's dollars.

3

Congestion in our cities

Top concern for 1 in 7 people surveyed

Fact: The cost of congestion in our capital cities was estimated by the Australian Government at **\$16.5 billion** for the 2015 financial year. This figure is projected to reach around **\$30 billion** by 2030. This equates to about **\$1000 per person per annum** for people living in the major capital cities⁴.

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 2018-19⁵.

2

The cost of transport

Top concern for 1 in 5 people surveyed

Fact: The Australian Government estimates that almost **\$29 billion** was collected from motorists in a range of taxes and charges levied by all Australian governments in 2014-15. This represents an increase of \$376 million from the previous year³

4

The state of our national infrastructure

Top concern for 1 in 8 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. Even if all surplus road-related revenue was directed to land transport 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.⁶

Fact: Infrastructure Australia estimates the **infrastructure backlog** in Australia is around **\$300 billion** however some estimates are as high as **\$770 billion**.⁷

Emerging issues that will affect Australian motorists

5

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

Fact: Preliminary on-road emissions testing, conducted on behalf of the AAA, show noxious gas emissions are up to **four times the regulatory limits**, while greenhouse gas emissions and fuel consumption are up to 35 per cent higher than figures shown on the relevant Government-mandated Fuel Consumption Label, and 20 per cent higher on average.

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 forthcoming technological advances in motoring

Fact: Government reports predict fully autonomous vehicles will be introduced by about 2020 and by **2030 they will account for about 30 percent** of light vehicles.⁸

Fact: Fully autonomous road systems could avoid nearly **90 percent of fatalities** and injuries, thereby saving approximately **1,000 lives per year** and avoiding **45,000 serious injuries**.⁹

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

Investment unlocking economic growth: transport infrastructure

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

Some benefits are well documented and obvious to most Australians, such as improved travel times and trip reliability as well as better road safety outcomes. There can also be positive social and environmental benefits through reduced travel stress and lower emissions.

However, there are also less obvious benefits. Effective transportation networks, much like the rise of the digital economy, deepen markets.

Smart networks, both digital and physical, bring consumers closer to businesses, and bring workers in contact with more employment opportunities¹⁰.

Efficient networks promote innovation and a more dynamic economy. These benefits are difficult to quantify but are an essential component of economic growth and productivity.

- 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 benefits¹¹.
- 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**¹².

Underinvestment is holding Australia back: transport infrastructure

In 2015 land transport congestion cost Australia \$16.5 billion¹³.

Broken down, this consisted of \$6 billion in private time costs, \$8 billion in business time costs, \$1.5 billion in extra vehicle operating costs and \$1 billion in extra air pollution costs.

Breaking this down even further, drivers in the major capital cities have current per capita congestion costs of around \$1,000 per person per annum, while the smaller capitals average less than \$500 per person per annum.

Australia's population is projected to grow to between 36.8 million and 48.3 million in 2061, and reach between 42.4 million and 70.1 million in 2101¹⁴.

Almost three quarters of Australia's population growth will be in the four largest cities Sydney, Melbourne, Brisbane and Perth which are expected to grow by almost seven million people by 2031. This level of growth will outpace countries like the UK, the United States and Canada and will place unprecedented pressure on infrastructure¹⁵.

If the Australian Government continues along the current investment profile, congestion costs are projected to reach between \$27.7 and \$37.3 billion by 2030¹⁶.

Congestion can, in part, be explained by the growing infrastructure deficit in Australia.

Research undertaken by ACIL Allen 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 in 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 GDP¹⁷.

The infrastructure backlog facing Australia has also been estimated by Infrastructure Australia at around \$300 billion¹⁸.

However, other estimates are much higher. Citigroup estimates that infrastructure investment required in the decade to 2018 would cost more than \$770 billion¹⁹.

Our Budget snapshot

1	THE SAFETY OF OUR ROADS	RECOMMENDATION
A	Keys2drive - continuation and enhancement	The Australian Government fund a refreshed keys2drive program by committing \$16 million over the forward estimates.
B	Australian Road Assessment Program – targeted funding to save lives	<p>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-based safety assessments going forward.</p> <p>The AAA also considers that the Australian and state and territory governments should undertake risk assessment of roads and publish star ratings consistent with the assessment protocols developed by the International Road Assessment Programme (iRAP).</p>
C	Inquiry into factors underlying the rising road toll	The AAA is calling for a national inquiry into the factors underlying the rising road toll so that evidenced based policies can be developed to target identified road safety priorities. This inquiry should consider trends in serious injuries as well as fatalities and should establish timelines and specific funding proposals.
D	Prioritising Black Spot Funding	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.
E	Continued support for the Australasian New Car Assessment Program (ANCAP) and Used Car Safety Ratings	<p>The Australian Government commit at least \$3.8 million over three years from 2018-19 to support a range of expanded activities to improve vehicle safety for all Australians.</p> <p>The AAA also recommends the Australian Government considers new arrangements for the portrayal and display of vehicle safety information at the point-of-sale, and in advertising.</p>
F	Developing a national metric for measuring serious injuries – continued focus	The Australian Government must continue to focus on developing a national metric for measuring serious injuries.
G	Ensuring Foreign Aid is dedicated to Road Safety	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.
2	CONGESTION IN OUR CITIES	RECOMMENDATION
A	Fuel Excise Revenue and Road Funding – a fair go for motorists where 50 per cent of net excise is returned in infrastructure spending	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.
B	The use of smart technology to better manage the transport network	The Australian Government work to identify Intelligent Transport System projects within the current National Innovation and Science Agenda worth \$1.1 billion over four years.
3	THE COST OF TRANSPORT	RECOMMENDATION
A	Renewed commitment by the Government for the ACCC's fuel monitoring activities	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.
B	Changes to vehicle importation laws to improve the safety and affordability of vehicles while also helping to protect the environment	The Australian Government pursue measures to increase competition and lower the costs of motoring, including amendments to the Motor Vehicle Standards Act to allow Australian consumers to directly import new vehicles from selected markets.
C	Removal of tariffs on imported vehicles	
i	Tariffs on imported vehicles	The Australian Government abolish the five percent tariff on imported vehicles saving consumers \$2,879 million over the forward estimates.
ii	Luxury Car Tax	The Australian Government abolish the Luxury Car Tax with savings to consumers totalling \$2,090 million over the forward estimates.
4	THE STATE OF OUR NATIONAL INFRASTRUCTURE	RECOMMENDATION
A	Support for strong Infrastructure Governance	The Australian Government continually seek to bolster the governance arrangements around the selection and funding of land transport infrastructure and place a priority on implementing Infrastructure Australia's Infrastructure Priority List.

B	Consider future recommendations that arise from the study into road user charging reform	<p>The AAA is urging the Australian Government to consider all future recommendations that may arise from the road user charging study's investigations.</p> <p>As an interim step, the AAA is also requesting that fuel excise is identified on petrol station tax invoices, increasing consumer awareness of the current funding model.</p>
PRIORITY ROAD AND LAND TRANSPORT INFRASTRUCTURE		The Australian motoring clubs have developed a list of key land transport infrastructure projects for each State and Territory. Combined, these projects entail a total investment of almost \$113 billion. See further information at Appendix A.
5	ENSURING AUSTRALIA HAS A ROBUST COST EFFECTIVE, VEHICLE EMISSIONS FRAMEWORK	RECOMMENDATION
A	Establish an ongoing, independent, vehicle emissions audit program, using real-world driving emissions testing	The Australian Government commit to an ongoing independent vehicle emissions audit program using real driving emissions testing at a cost of \$1 million over four years.
B	Providing user-friendly information on emissions based on real world results	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.
6	ENSURING AUSTRALIANS RECEIVE MAXIMUM BENEFIT FROM FORTHCOMING TECHNOLOGICAL ADVANCES IN MOTORING	RECOMMENDATION
A	Unlocking the benefit of automated vehicle technology	The Australian Government should work actively with state and territory governments to incentivise the development, testing and rollout of increasingly automated vehicles. Where possible, funding through the \$1.1 billion National Innovation and Science Agenda should be leveraged to support trials, research and start-ups that focus on improving safety and increase the capacity for all government to plan for a sustainable future with autonomous vehicles.
B	Ensuring Australians receive the greatest benefit from connected cars	The AAA urges the Government to closely consider any final recommendations from the Productivity Commission's review into Data Availability and Use and the ACCC's Market Study of the New Car Retailing Industry that strengthen consumer access to data and ensure adequate access to vehicle service and repair information.

SECTION ONE THE SAFETY OF OUR ROADS



Overview

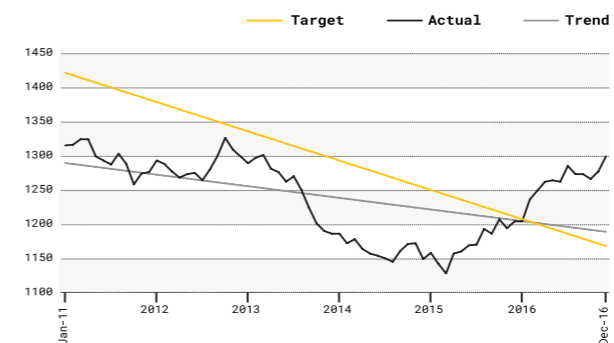
The AAA's research shows motorists consider road safety to be their primary concern ahead of all others in relation to land transport.

Alarming, 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 commitment of reducing deaths and serious injuries by at least 30 percent is in doubt²⁰.

The AAA is now calling on the Australian Government to establish a national inquiry into the factors underlying this dramatic change so that evidence-based policies can increase the number of safer drivers, driving safer cars, on safer Australian roads.

The AAA also has a strong interest in ensuring our young drivers stay safe on our roads through the driver education program Keys2drive. The AAA would also strongly support measures that would provide incentives to encourage young drivers into safer vehicles.

National (Australia) fatalities per year



Keys2drive - continuation and enhancement

The AAA welcomed the commitment made in the 2016-17 Budget to extend the keys2drive program for a further year.

Keys2drive is a driver education program that offers a free driving lesson with an accredited driving instructor for learner drivers and their supervising driver.

Without a commitment to ongoing funding, this program will cease on 1 July 2017 and around 40,000 learner drivers per year will no longer be able to access the support offered by the keys2drive program.

The AAA is seeking additional funds from the Commonwealth to continue a refreshed keys2drive program in recognition of its results in road safety improvements for our drivers at the highest level of risk on the roads.

The proposed refreshed program will extend its penetration into regional areas by using the Regional Development Australia (RDA) network to promote the program, work with local providers and leverage potential local sponsorship and fundraising channels to increase the opportunity for learners in regional areas to access the program.

This would allow for a more even geographic and year-round distribution of lessons, and assist in promoting road safety more broadly into local communities via media coverage of the program to deliver wider road safety benefits in higher-risk regional areas.

The program would be evaluated at the end of the 2017-18 (year one) to allow for program enhancements, with a final evaluation conducted during 2020-21 (year four). It is expected the benefits of working directly with individual RDAs to achieve the program objectives would begin to become apparent in years two and three of the program and the results of the final evaluation would then inform the need for future funding.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
\$4m	\$4m	\$4m	\$4m	\$16m

Australian Road Assessment Program – targeted funding to save lives

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 1 or 2 stars, while the proportion of five-star roads was negligible.

AAA analysis shows that a national investment of \$4.7 billion would save 36,000 lives and serious injuries on our highways over a 20-year period, effectively returning \$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, that deliver economic and safety benefits.

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-based safety 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

2017-18	2018-19	2019-20	2020-21	TOTAL
\$1,175m	\$1,175m	\$1,175m	\$1,175m	\$4,700m

Inquiry into factors underlying the rising road toll

The AAA's Benchmarking of the National Road Safety Strategy (NRSS) 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 begun to trend up nationally since early 2015.

The AAA's most recent report finds that in the year to December 2016, there has been a 7.9 per cent increase in the number of Australians killed on Australian roads. This means 1,300 lives have been lost in road crashes in the past year, 95 more than in the year to December 2015.

The annual economic cost of road trauma has been estimated at around \$34 billion²¹, while the social and emotional cost associated with having around 100 Australians killed every month on our roads cannot be measured.

Clearly, there is a need for all governments to increase their efforts and investments in road safety. However, it is currently not clear what factors are contributing to the increasing toll. Without this research, it will be difficult for the Australian and state/territory government's to target their road safety interventions effectively.

The AAA is calling for a national inquiry into the factors underlying the rising road toll so that evidenced based policies can be developed to target identified road safety priorities. This inquiry should consider trends in serious injuries as well as fatalities and should establish timelines and specific funding proposals.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
Low or no cost to the Budget				

Prioritising Blackspot funding

The AAA welcomed the Australian Government's commitment of \$500 million to the Black Spot Program from 2014-15 to 2018-19, which includes an additional \$200 million over two years from 2015-16 to improve road safety across the nation.

The Black Spot Program has performed well in economic terms achieving an estimated benefit-cost ratio of 7.7 at a 3 per cent discount rate. The 2,578 projects completed between 1996-97 and 2002-03 are saving over 4,000 crashes per annum of which almost 30 are fatal crashes²².

The AAA also supports the amended eligibility criteria that allow consultative panels to allocate up to 40 percent of funding to sites on the basis of a road safety audit. The AAA recommends road safety audits take into account research undertaken by AusRAP in order to help save 36,000 lives and serious injuries on our highways.

The program should also be permanently increased from \$60 million to \$100 million (i.e. an additional \$40 million) per year due to the high benefit-cost ratio²³. The AAA would also strongly support a further funding commitment past 2018-19 to ensure certainty of funding going forward.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
\$40m	\$40m	\$100m	\$100m	\$280m

Continuation of the Australasian New Car Assessment Program (ANCAP) and Used Car Safety Ratings

The 2016-17 Budget committed \$1.1 million 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 beyond its current commitment given that Australia recorded its worst road fatality rate in five years with 1,300 lives lost. The availability of newer, safer cars is critical to addressing the rising road toll.

From 1 January 2018, ANCAP will enter a period of significant change with the adoption of a common test and assessment protocol with Europe. This will see a broadening of its physical crash test program and introduction of safety assist technology performance testing, providing Australian consumers with more detailed independent vehicle safety information to enable safer, more informed vehicle choices. The new tests will increase the cost of assessment, placing an additional burden on ANCAP to maintain fleet coverage of more than 90 percent.

In 2015-16, ANCAP received \$2.1 million in subscription revenue from its other 22 member organisations. There has been significant effort made by ANCAP in recent years to leverage private sector support and increase financial and in-kind contributions. For the first time, contributions from vehicle brands eclipsed subscription revenue with a record \$2.2 million received through the provision of test vehicles and funding of test costs. In addition, \$8.9 million was received in-kind by way of test data and test results obtained through ANCAP's ongoing relationship with Euro NCAP.

The AAA supports the case for the Australian Government to further assist ANCAP in promoting the availability of newer, safer cars and encouraging the standard and more swift fitment of safety assist technologies by vehicle brands in 2017-18 and beyond through engaging in an ongoing membership arrangement and annual increases in financial support in line with other member organisations as an alternative to the current contract arrangement.

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

- increase its communications and advocacy activities;
- allow for skill enhancement of technical and test laboratory staff; and

- increase operational functions supporting the conduct of testing and the publication of results.

The AAA recommends the Australian Government increase its contribution 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. This is in line with increases in other member subscriptions.

The AAA also recommends the Australian Government considers new arrangements for the portrayal and display of vehicle safety information at the point-of-sale, and in advertising.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
*	\$1.25m	\$1.27m	\$1.29m	\$3.81m

*Note: funding has already been committed for 2017-18

Developing a national metric for measuring serious injuries – continued focus

The AAA welcomed the Government's commitment to fund the Australian Trauma Registry as an interim measure for measuring serious road injuries. The Registry will gather better data on the number and type of severe injuries due to road crashes, and help make Australia's roads safer through better planning and more targeted investment. The AAA and the Royal Australasian College of Surgeons had for some time been advocating for the Government to make this important investment in road safety.

Whilst the Australian Trauma Registry provides data for 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 aware and very supportive of the project being undertaken by Austroads to assess the feasibility of linking the National Hospital Morbidity Database with crash data. The Austroads pilot project has a timeframe of at least several years, and the project's outcomes 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

2017-18	2018-19	2019-20	2020-21	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 world²⁴. It is estimated there are around 1.3 million lives lost worldwide as a result of road crashes each year. It has is estimated that with effective action, five million lives can be saved on the world's roads over the period to 2020²⁵.

Australia can contribute to making this goal a reality through action to support the efforts of our international partners in the Asia Pacific region.

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

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
Low or no cost to the Budget				

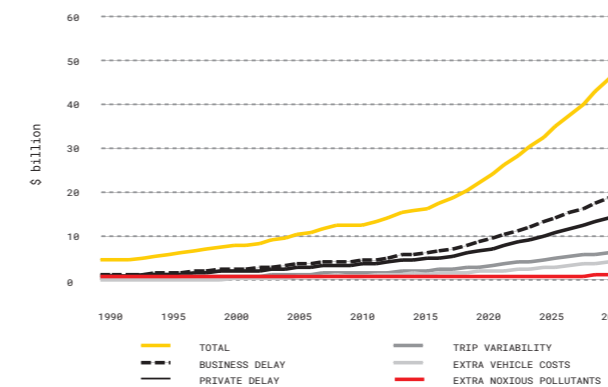
SECTION TWO CONGESTION IN OUR CITIES

Overview

With congestion in our capital cities set to double by 2030, the Australian Government has two main avenues for addressing crippling bottlenecks. The Government can act to ensure adequate funding is invested in land transport infrastructure, and can also pursue initiatives that ensure our current transport system achieves maximum efficiency.

The Australian Government must also adequately resource priority public transport infrastructure projects and actively promote new technologies that improve network performance.

Avoidable congestion costs (2010 dollars)



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 long called for the Government to provide a clear link between the taxes motorists pay and expenditure on land transport projects. Motorists make a significant contribution to the Government's revenue base through fuel excise, but only a small portion of this flows back into transport infrastructure expenditure.

The fuel excise revenue the Australian Government receives from motorists is not earmarked for expenditure on the transport network and instead flows through to consolidated revenue, where the process of directing funding to land transport is complex and lacking in transparency.

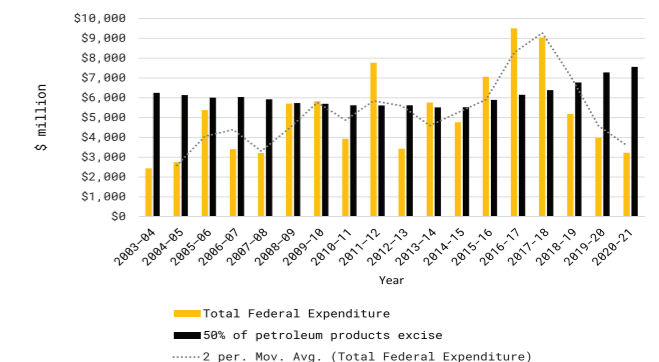
The establishment of a transparent linkage between the taxes paid by motorists and transport infrastructure investment outcomes will be critical in building the public support required to undertake necessary transport market reform.

Research conducted by the AAA in 2015 found 38 percent of Australian

motorists believe 100 percent of fuel excise revenue should be spent on major land transport projects. A further 47 percent of motorists believe that more than 50 percent of fuel excise revenue should be spent on major land transport projects.

The graph below clearly shows that over the last 12 years 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, 2016-17 Budget Paper 1 for years 2015-16 to 2019-20. Year 2020-21 was derived by predicting expenditure and revenue from historical data. (constant 2014-15 prices, adjusted by ABS Consumer Price Index)

In line with Australian motorists' expectations, the AAA is strongly of the view that a guaranteed minimum of at least 50 percent 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 almost \$28 billion over the forward estimates. The current budget forecast of Australian Government investment in land transport infrastructure is only around \$21.4 billion, which is almost \$6.6 billion less than the \$28 billion required at a minimum²⁶.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
\$6,382m	\$6,768m	\$7,280m	\$7,554m*	\$27,984m

*AAA prediction based on historical average

The use of smart technology to better manage the transport network

Intelligent transport systems (ITS) have the potential to deliver significant safety, environmental and efficiency benefits to the Australian transport system²⁷.

Investing in effective ITS projects will allow governments to generate large benefits at relatively small cost.

For example, the Monash Freeway Motorway Management System, including coordinated ramp metering, increased the road's peak throughput by 30 percent; a \$1 million pilot program had an economic payback period of just twelve days²⁸. The freeway management system is also being extended to cover significant sections of Melbourne's freeway network in a joint federal and state program.

In 2014, RACWA initiated a landmark trial using technology to improve the performance of traffic signals and found that congestion can be considerably decreased without the need for new infrastructure. The findings included average vehicle queue lengths at the four intersections along the trial corridor were reduced by up to 34 per cent, while journey times were up to 20 per cent faster.

Using technology to test shorter traffic signal cycle times resulted in vehicles getting a green light more frequently, helping traffic to clear faster, and resulting in shorter queues. These signal settings also resulted in up to a 10% increase in the volume of vehicles which could pass through the trial area in the peak direction of travel for typical commuting trips.

In a fiscally constrained environment, the Australian Government could provide targeted funding to state/territory governments and local councils to tackle key road and transport problems by trialling and adopting innovative technology solutions that could ultimately be marketed to different jurisdictions across Australia and possibly internationally.

The National Innovation and Science Agenda has a number of programs that could help finance key projects around transport analytics and ITS including the expanded PhD program within Data61 and the new \$200 million CSIRO Innovation Fund.

The AAA recommends that the Government work to identify ITS projects within the current National Innovation and Science Agenda worth \$1.1 billion over four years.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
Low or no cost to the Budget				

“The AAA has long called for the Government to provide a clear link between taxes motorists pay & expenditure on land transport...”

SECTION THREE THE COST OF TRANSPORT

Overview

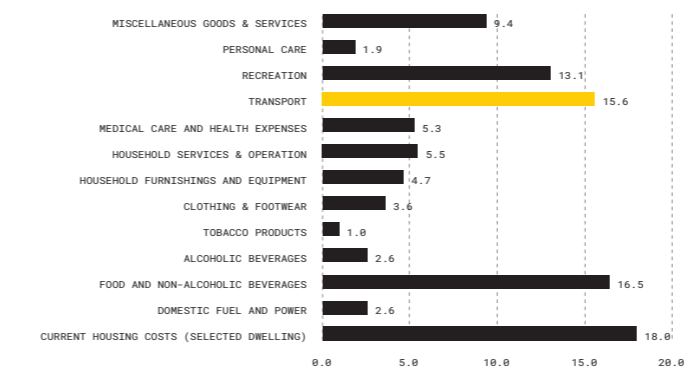
Transport is a major, and in most cases unavoidable, cost for Australian households. Each year, motorists pay billions of dollars to the Federal, state and territory governments in transport related taxes and charges. In 2014-15 road related taxes and charges totalled almost \$29 billion²⁹.

This contribution made by motorists consists of taxes associated with all elements of buying and running a car over its lifetime, and includes taxes 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 running the vehicle (state based registration, drivers licence fees, fuel excise, GST on excise, and potentially Fringe Benefits Tax).

It is difficult to identify another area of economic activity in Australia that is taxed as heavily as motoring. In addition to taxes and charges, Australians also face a range of other expenses including loan repayments, insurance, servicing costs, fuel costs, public transport, parking and increasingly, road tolls.

In 2016, the AAA released its first Transport Affordability Index report to provide Australians with a detailed breakdown of a group of expenses which, according to the Australian Bureau of Statistics, collectively make up more than 16 percent of an average household budget³⁰. In comparison, household expenses relating to telecommunications, electricity and water consume a far smaller share of that budget, ordinarily around one to three per cent.

Household expenditure in 2009-10

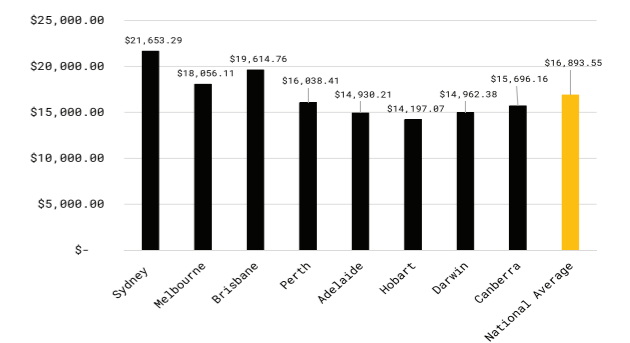


Source: ABS Household Expenditure survey 2009-10. (percent of total expenditure)

The AAA's Transport Affordability Index will allow the AAA to track transport costs over time and enable individuals, families and policymakers to better understand household transportation costs. This will allow households to make informed decisions about where their money is spent, and give policymakers a greater understanding of how their decisions impact household budgets across Australia.

The most recent Transport Affordability Index, released in September 2016, showed average transport costs across Australia's capital cities are increasing. The average family in Australia is now paying around \$16,894 a year on land transport, which is around 13.4 per cent of household income. At the most expensive end, the average family in Sydney is paying around \$21,653, while the annual cost of land transport is lowest in Hobart at \$14,197.

Total yearly transport costs by capital city Q3 2016



Source: AAA Transport Affordability Index: September 2016

As transport costs continue to increase for average Australian families across Australia, the AAA is calling for a renewed focus by all levels of Government to reduce the cost of taxes and charges. While the Index does not seek to analyse all motoring taxes and charges, fuel excise, registration, CTP and licensing are considered, with a cost to the average two car family of almost \$2,700 a year. This serves as a reminder that government policies in all areas must be at least cost to consumers.

ACCC's fuel monitoring activities: renewed commitment

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 analysing the price drivers of petrol in regional markets. These reports indicate whether consumers are paying a fair price for the fuel they purchase.

The AAA strongly 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 which was 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 cpl³¹.

According to ACCC Chairman Rod Sims "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 expressed³²."

The AAA strongly supports extending the ACCC's increased fuel monitoring activities past the original three-year direction by the Australian Government.

Recommendation

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

Vehicle importation laws: changes to improve the safety and affordability of vehicles while also helping to protect the environment

The AAA supports the Australian Government's announced changes to the Motor Vehicle Standards Act to allow consumers to personally import a new vehicle from another country with comparable standards to Australia, up to once every two years.

The AAA believes that the proposed changes will deliver increased competition and put downward pressure on vehicle costs, delivering environmental and safety benefits through faster renewal of Australia's vehicle fleet, which is old by global standards.

Recommendation

The Australian Government pursue measures to increase competition and lower the costs of motoring, including amendments to the Motor Vehicle Standards Act to allow Australian consumers to directly import new vehicles from selected markets.

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 has been a significant reduction in tariffs charged due to trade agreements reached with Japan, Korea, the USA and Thailand – four of our five largest passenger vehicle markets, saving consumers around \$500 million per year³³.

Toyota reports 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 \$7,630³⁴.

The AAA welcomes the Government's intention of finalising an agreement with the European Union (which represents 30 percent of total car imports³⁵ to Australia) potentially saving consumers around \$864 million over the forward estimates³⁶.

However, with vehicle manufacturing in Australia due to cease by the end of 2017, the AAA strongly believes the five percent tariff which applies to imported vehicles should be immediately removed across the board.

Removing tariffs will contribute to downward pressure on new vehicle prices, which will mean more consumers can purchase newer, cleaner, safer cars, contributing to the Government's road safety, air quality and greenhouse objectives.

The AAA strongly supports the removal of tariffs on imported vehicles, saving consumers \$2,879 million over the forward estimates.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
\$630m	\$690m	\$760m	\$799m*	\$2,879m

*AAA prediction based on historical average

Luxury Car Tax

The luxury car tax should also be abolished, as it is an inefficient tax which targets vehicles that are often the leaders in providing safety and environmental benefits.

Removing the luxury car tax will also contribute to downward pressure on new vehicle prices, and allow more high technology vehicles to enter the Australian vehicle fleet. This will contribute to the Government's road safety, air quality and greenhouse objectives.

A number of independent reviews have also recommended removing this tax. These include, most recently, the Productivity Commission's 2014 Inquiry into Australia's Automotive Manufacturing Industry.

The AAA strongly supports the removal of the Luxury Car Tax with savings to consumers totalling \$2,090 million over the forward estimates.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
\$570m	\$600m	\$630m	\$635m*	\$2,090m

*AAA prediction based on historical average



SECTION FOUR THE STATE OF OUR NATIONAL INFRASTRUCTURE

Overview

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

The Government has committed to providing funding towards a number of priority projects, but a number of crucial road and public transport projects have received no funding as yet.

The complete list of current priority projects can be found in the appendix 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

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 addressing Infrastructure Australia's Infrastructure Priority List and the priority projects listed in the Appendix A. This should include considering alternative funding models, including greater private sector participation. The Australian Government needs to also prioritise measures that ensure a better use of the revenue from motoring taxes and a transition to more appropriate user charging.

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

Recommendation

The Australian Government continually seek to bolster the governance arrangements around the selection and funding of land transport infrastructure and place a priority on implementing Infrastructure Australia's Infrastructure Priority List.

Road user charging reform: consider future recommendations that arise from the Government's study

The AAA urges the Australian Government to consider all future recommendations that arise from the study which will investigate the potential impacts of road user charging reform on road users.

The AAA was a strong advocate for establishing a public inquiry into transport market reform and the benefits of road user pricing in the context of the fragmented, underfunded road network. As such, the AAA welcomed the Australian Government's commitment to establish a study, chaired by an eminent Australian, to investigate the potential impacts of road user charging reform on road users.

The study should 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 study should also take into consideration the heavy taxation burden motorists are already under.

The primary objective of the announced study should be to consider how transport market reform and road user pricing could replace current fees and charges and be directly linked to land transport infrastructure investment. This is particularly important given fuel excise, the primary funding source for land transport, is forecast to decline due to vehicles becoming more efficient and increased use of alternative fuels.

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 the reform.

The majority of Australian motorists continue to be unaware they pay around 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, as a first step to educating consumers that they currently pay a per kilometre transport charge via the fuel excise system. This will assist motorists to better understand the road user charging debate.

Recommendation

The AAA is urging the Australian Government to consider all future recommendations that may arise from the road user charging study's investigations. As an interim step, the AAA is also requesting that fuel excise is outlined on fuel tax invoices, increasing awareness of the current funding and user payment model.

“The majority of motorist continue to be unaware they pay 40 cents in excise on every litre of fuel...”

SECTION FIVE ENSURING AUSTRALIA HAS A ROBUST, COST EFFECTIVE, VEHICLE EMISSIONS FRAMEWORK

Overview

The AAA believes there needs to be greater transparency around vehicle compliance with noxious emission standards and claimed fuel efficiency.

Emissions scandals that have recently plagued the automotive industry, highlight the fact that the Australian Government performs no independent or real-world testing of manufacturer claims around emissions and fuel usage.

Further, with the Australian Government considering tighter emissions standards and introducing 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 differ from those observed in a laboratory setting. Full results are due later in 2017; however the AAA recently released results from the first ten vehicles to help inform two important Government reviews: the work of the Ministerial Forum on Vehicle Emissions, and the ACCC's market study into the new car retailing industry.

The preliminary results of the emissions testing program indicate consumers are being provided the wrong information when they are attempting to make purchasing decisions based on fuel consumption or environmental performance.

Specifically, the results show emissions of noxious gases in the real world can be more than four times the regulatory limits, and fuel efficiency and CO2 emissions up to 35% more than shown on the government-mandated fuel consumption label for the individual vehicles tested.

Vehicle emissions audit: establish an ongoing, independent, audit program, using real-world driving emissions testing

The AAA believes the Australian vehicle regulator must be properly resourced to fulfil its role in enforcing compliance with Australia's mandatory national standards for vehicle safety and emissions.

The AAA is firmly of the view that this must include an ongoing independent audit program to test the vehicle emissions claims of the vehicle manufacturers that are supplying vehicles to the Australian market. The AAA considers it is not sufficient to rely on compliance verification from foreign governments or the car makers.

An ongoing independent audit program would not only provide greater certainty around compliance, but would also provide more accurate environmental information to consumers when purchasing new cars. The current information provided to consumers is derived in a laboratory test that may not represent real world driving conditions, as highlighted by the AAA emissions testing program.

The AAA is seeking Government funding of \$250,000 per annum to support an ongoing vehicle emissions audit function using real driving emissions testing equipment protocols.

Total Funding Required

2016-17	2017-18	2018-19	2019-20	TOTAL
\$0.25m	\$0.25m	\$0.25m	\$0.25m	\$1m

User friendly information on emissions: emissions based on real world results

The current Green Vehicle Guide publishes information supplied voluntarily 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 that the information gained from real world emissions testing would provide a useful check against the veracity of the information provided to consumers and could be incorporated into the Green Vehicle Guide

The AAA also believes the Green Vehicle Guide should return to its former star rating approach to ensure consumers are provided with accurate and relevant vehicle emissions information that is easily understood.

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

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
Low or no cost to the Budget				

“Consumers are being provided the wrong information when they are attempting to make purchasing decisions...”

SECTION SIX ENSURING AUSTRALIANS RECEIVE MAXIMUM BENEFIT FROM FORTHCOMING TECHNOLOGICAL ADVANCES IN MOTORING

Overview

The AAA believes the potential benefits associated with the introduction of increasingly automated vehicles in Australia are vast and diverse. Analysis indicates that benefits will be realised in the areas of safety, congestion, emissions and cost of car ownership³⁷. These factors are of keen interest to our member organisations and all road users.

However, with benefits also come costs. 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

Motorists can today purchase cars with electronic blind spot assistance, automated emergency braking systems, park assist, adaptive cruise control, lane keep assist, lane departure warnings and traffic jam and queuing assist technologies. Such features have, and will continue to significantly improve the safety of Australia's light vehicle fleet. Even greater levels of automation are also being trialled across Australia.

On 31 August 2016, RACWA commenced the on-road stage of Australia's first fully driverless and electric shuttle bus trial in Perth. The trial, the first in Australia, and among the first in the world is carrying passengers and interacting with traffic, parked cars, cyclists and pedestrians.

Since the commencement of the trial, more than 1500 people have ridden on the RAC Intellibus™ and 4,000 people are now waitlisted to experience the technology. The RAC Intellibus™ is exploring driverless technology and has started a conversation on further trials, research and collaboration, which will increase understanding of how driverless vehicles can integrate into the transport system. The RAC Intellibus™ will also help WA develop a roadmap of changes that will need to occur for driverless vehicles to safely transition on to our roads and become an integrated part of our transport system.

The Australian Government should work actively with state and territory governments to incentivise the development, testing and roll-out of vehicles with increased automation and, where necessary, seek to harmonise legislation that will ultimately allow the operation of these vehicles on the road network. The Australian Government should also support research projects that seek to better prepare all Australian governments for a sustainable future with highly automated and autonomous vehicles. Lessons learned through trials, like the RAC Intellibus™ initiative, should also be well publicised and communicated through relevant intergovernmental bodies.

Where possible, funding through the National Innovation and Science Agenda should be leveraged to support trials, research and start-ups in Australia that focus on planning for and increasing uptake of driverless and increasingly automated car technology in Australia.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
Low or no cost to the Budget				

Connected cars: ensuring Australians receive the greatest benefit from connected cars

As vehicles become more technologically advanced, independent repair operators and roadside assistance providers increasingly depend upon access to technical data, specific parts, tools and information from the manufacturer to service and repair cars. If manufacturers restrict access to this technical information, independent repairers will be unable to perform service and repairs, putting their viability at risk and ultimately reducing competition in the service and repair market. This could be particularly concerning for rural and regional communities who may not have access vehicle branded repair workshops.

Furthermore, with the introduction of telematics technology in new cars, it is important that consumers are able to access the data from their own vehicle and provide that information to other parties in return for services. There are great benefits to this technology, which can lead to early interventions and better car maintenance. However, without access to vehicle data, consumers will have limited choice as to who can service and repair their car and provide other services that telematics technology affords (such as remote diagnostics and assistance).

Any restriction on access to vehicle data or service and repair information would stifle competition in the service and repair market. Whilst 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 AAA believes consumers should be able to choose who services their car and not be restricted by who has access to service and repair information and vehicle data. Any increase in service and repair costs due to a reduction in competition can have serious implications for affordability and safety.

The AAA urges the Government to closely consider any final recommendations from the Productivity Commission's review into Data Availability and Use and the ACCC's Market Study of the New Car Retailing Industry that strengthen consumer access to data.

Total Funding Required

2017-18	2018-19	2019-20	2020-21	TOTAL
Low or no cost to the Budget				

“Motorist may lose control of and access to data collected...”

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.	\$7,000m
	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.	\$1,700m
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
Total (Millions \$)		\$44,200
VICTORIA		
1 Metropolitan Ring Road extension to Eastern Freeway (North East Link)	Development of a new motorway-standard connection between the Metropolitan Ring Road at Greensborough and Eastern Freeway to reduce congestion and capacity constraints.	\$10,000m
2 Western Distributor	Widening of the West Gate Freeway, new road tunnel under Yarraville and a new bridge over Maribyrnong River as an alternative to the West Gate Bridge, and widening of the Monash Freeway.	\$6,000m
3 Metro Rail Tunnel	Construction of twin nine kilometre tunnels, from South Kensington to South Yarra, linking the Sunbury and Cranbourne Pakenham rail lines	\$11,000m
4 Regional Highway Duplications, Safety and Maintenance package	Complete the three Regional Highway Duplications;	\$943m
	Regional Highways AusRAP Safety and Maintenance Program;	\$2,000m
	Shepparton Bypass.	\$590m
5 Melbourne Airport Rail Link	Construction of a high speed direct connection between the city and the Melbourne Airport	\$5,000m
Total (Millions \$)		\$35,533

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 and widening type works, plus a range of safety measures to target poor crash sites and to provide additional overtaking lanes and rest areas.	\$8,500m
	Warrego Highway project includes major upgrades to the highway between Toowoomba and Miles, including the Toowoomba Secord Range Crossing.	\$2,200m
2 Pacific Motorway	Upgrade of the M3 between Eight Mile Plains and Springwood, specifically where the M3 merges with the southbound lanes of the Gateway Motorway (M1), and widening of the M1 Pacific Motorway from four to six lanes between Mudgeeraba Road/Robina Town Centre Drive (Mudgeeraba) and Reedy Creek Road (Varsity Lakes). The upgrade will also include Managed Motorways systems.	\$450m
3 Cross River Rail	A new north-south passenger rail line in Brisbane's inner city from Bowen Hills (north of the CBD) to Salisbury, travelling via Roma Street, the southern CBD and Woolloongabba.	\$5,300m
4 Inland Queensland Road Action Plan (IQ-RAP)	A fifteen-year program to upgrade inland regional Queensland roads, developed by RDA Townsville and North West QLD Committee.	\$5,000m
5 Beerburrum to Nambour Rail Upgrade	The duplication of the track between Beerburrum and Nambour, extensions of existing passing loops and improvements to stations along the route.	\$664m
Total (Millions \$)		\$22,114
SOUTH AUSTRALIA		
1 North-South Corridor	Upgrade one of the remaining sections that form part of the North-South Corridor between the River Torrens and the northern project boundary of the current Darlington upgrade.	\$2,300m
2 Augusta Highway	Upgrade Augusta Highway between Port Wakefield and Port Augusta to improve safety and productivity	\$120m
3 Sturt Highway	Improve safety and productivity of the Sturt Highway to the Victorian Border	\$31m
4 Strzelecki Track	Seal the Strzelecki Track to the border with Queensland to provide a more reliable outback link to the State's gas region.	\$450m
5 Gawler Rail Line	Electrification of the Adelaide to Gawler rail line and upgrades of stations, additional rolling stock and the provision of park and ride facilities.	\$100m
Total (Millions \$)		\$3,001

Appendix A continued...

Project Location/ Name	Project Description	Estimated Cost
WESTERN AUSTRALIA		
1 Thornlie Rail Line extension	Extension of the Thornlie rail line to Cockburn Central, connecting Perth's Armadale and Mandurah Rail Lines	\$340m
2 Network Management Technologies	Deployment of intelligent transport systems, including preparing for self-driving vehicles and implementation of smart transport initiatives.	\$300m
3 Perth Light Rail	Light Rail providing high frequency services between the University of Western Australia (UWA) / Queen Elizabeth Medical Centre (QEII) and Canning Bridge, via Perth CBD and Curtin University.	\$1,800m
4 Rail for Perth's Northern Corridor	Stage 1 of a new CBD rail line, servicing the major activity centre of Morley, eventually connecting to the Joondalup line.	\$2,800m
5 Major Road Upgrades	Rolling program of grade separations and upgrades on the Roe and Reid Highways. Completion of the Bunbury Outer Ring Road, linking four major highways around the city.	\$285m \$675m
Total (Millions \$)		\$6,200
TASMANIA		
1 Bass Highway intersections at Wynyard	Rationalise the number of intersections and upgrade one to become the primary access/crossing point	\$15m
2 & 3 Midland Highway	Duplicate carriageway from Perth to Breadalbane; and upgrade Breadalbane Junction AND Safety improvements package on various sections as outlined in the 10 Year Midland Highway Action Plan	\$500m
4 Eastern Hobart approach	Increase capacity and improve traffic flow on the eastern approach to the Hobart CBD, including the Sorrell/Midway Point causeways, airport roundabout and Tasman Bridge	\$300m
5 Bridgewater Bridge	Construct replacement 4-lane Bridgewater Bridge and associated new junctions	\$600m
Total (Millions \$)		\$1,415
NORTHERN TERRITORY		
Stuart Highway	Upgrade the Stuart Highway from Darwin to Pine Creek.	\$110m
Total (Millions \$)		\$110
Australian Total (Millions \$)		\$112,573

Footnotes

¹ Bureau of Transport, Infrastructure and Regional Economics (BITRE) (2016) Road Deaths Australia – Monthly Bulletins

² Bureau of Transport, Infrastructure and Regional Economics (BITRE) 2009, Road crash costs in Australia 2006, Report 118, Canberra, November. The original figure of \$27 billion in this report was calculated in real 2006 dollars, this has been updated to \$34 billion to reflect real 2016 dollars using the Consumer Price Index

³ Bureau of Transport, Infrastructure and Regional Economics (BITRE) (2015) Australian Infrastructure Statistics Yearbook 2015

⁴ Bureau of Transport, Infrastructure and Regional Economics (BITRE) (2015) Information Sheet 74: Traffic and congestion cost trends for Australian capital cities

⁵ [ACIL Allen; Land Transport Funding: Transitioning to a better model](#) (2016)

⁶ [ACIL Allen; Land Transport Funding: Transitioning to a better model](#) (2016)

⁷ Productivity Commission Inquiry Report Volume 1: Public Infrastructure; 27 May 2014

⁸ Bureau of Transport, Infrastructure and Regional Economics (BITRE) (2015) Information Sheet 74: Traffic and congestion cost trends for Australian capital cities

⁹ Bradlow and Jayachandra, (2015) Telstra; [How Digital Infrastructure can substitute for physical infrastructure](#)

¹⁰ [PC Productivity](#) Update July 2015

¹¹ [ACIL Allen; Land Transport Funding: Transitioning to a better model](#) (2016)

¹² Bureau of Transport, Infrastructure and Regional Economics (BITRE) (2015) Information Sheet 55: Infrastructure, Transport and Productivity

¹³ Bureau of Transport, Infrastructure and Regional Economics (BITRE) (2015) Information Sheet 74: Traffic and congestion cost trends for Australian capital cities

¹⁴ Australian Bureau of Statistics (2013) 3222.0 - [Population Projections, Australia](#)

¹⁵ Infrastructure Australia: Australian Infrastructure Plan: February 2016

¹⁶ Bureau of Transport, Infrastructure and Regional Economics (BITRE) (2015) Information Sheet 74: Traffic and congestion cost trends for Australian capital cities

¹⁷ [ACIL Allen; Land Transport Funding: Transitioning to a better model](#) (2016)

¹⁸ IA (Infrastructure Australia) 2013 National Infrastructure Plan: June 2013 Report to COAG, Canberra

¹⁹ Citigroup (Citigroup Economic & Market Analysis) 2008, Australia's Infrastructure Supercycle

²⁰ Media Release: AAA ["Australia's Road Fatality Target in Doubt"](#) 29 January 2016

²¹ Bureau of Transport, Infrastructure and Regional Economics (BITRE) 2009, Road crash costs in Australia 2006, Report 118, Canberra, November. The original figure of \$27 billion in this report was calculated in real 2006 dollars, this has been updated to \$34 billion to reflect real 2016 dollars using the Consumer Price Index

²² [Bureau of Infrastructure, Transport and Regional Economics \(BITRE\)](#), 2012, Evaluation of the National Black Spot Program Volume 1 BITRE Report 126, Canberra ACT

Footnotes continued...

²³ Media Release: The Hon Jamie Briggs MP "[Road Safety is a Responsibility for Us All](#)" 16 December 2013

²⁴ Department of Infrastructure and Regional Development: [Decade of Action for Road Safety 2011-2020](#)

²⁵ World Health Organization: [Decade of Action for Road Safety 2011-2020](#) (2011)

²⁶ Based on 2016-17 Budget estimates and a forecast for 2020-21 based on historical expenditure

²⁷ SCOTI 2012, Policy Framework for Intelligent Transport Systems in Australia, Canberra, March 2012

²⁸ Gaffney, J. 2010, Monash – CityLink – West Gate Upgrade Project, presentation to the 24th ARRB Conference, 12–15 October

²⁹ Bureau of Transport, Infrastructure and Regional Economics (BITRE) (2016) Australian Infrastructure Statistics Yearbook 2016

³⁰ ABS Household Expenditure Survey, 2009-10

³¹ [Report on the Armidale Petrol Market; ACCC](#) (2016)

³² Media Release – ACCC "[ACCC releases report into the Darwin Petrol Market](#)" 23 November 2015.

³³ Australian Government: Budget 2015-16 Budget Paper 1

³⁴ Media Release – Toyota "[Toyota delivers aggressive price cuts](#)" 6 January 2015.

³⁵ DFAT- Composition of trade Australia 2013-14

³⁶ AAA analysis

³⁷ Bradlow and Jayachandra, (2015) Telstra; [How Digital Infrastructure can substitute for physical infrastructure](#)

Mailing Address:
GPO Box 1555
Canberra ACT 2601

P 02 6247 7311
T @aaacomms
W www.aaa.asn.au

Address:
103 Northbourne Ave
Canberra ACT 2601

