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1. About the Australian Trucking Association

The ATA is the peak body representing the Australian trucking industry. Its members include state and sector-based trucking associations, some of the nation's largest transport companies, and businesses with leading expertise in truck technology.

2. Summary of recommendations

Recommendation 1

The Heavy Vehicle Safety Initiatives program should be enhanced by:

- Increasing funding to \$5.9 million per year from 2018-19.
- Proposed projects should be assessed by an independent panel.
- Administration of the program should be performed by the Australian Government.

Recommendation 2

The Australian Government should strongly consider the creation of an independent, statutory National Road Safety Commission to provide independent road safety policy advice, policy reviews, monitor the National Road Safety Strategy, and provide funding of non-infrastructure projects for improving road safety.

Recommendation 3

The Australian Government should provide the Australian Transport Safety Bureau with an extra \$4.3 million over four years to establish a national database of coronial recommendations about road safety and a national database of serious heavy vehicle accidents.

Recommendation 4

The Australian Government should continue delivery of the national agenda for mental health reform, suicide prevention and improved frontline services.

Recommendation 5

Australian Government revenue from heavy vehicle charges, including the increased overcharging in 2018-19, should be returned to road transport with increased road safety and better roads funding.

Recommendation 6

Toll road and landside port charges for heavy vehicles should be subject to an independent regulator, such as the ACCC.

Recommendation 7

The Australian Government should lower business taxes, including continued implementation of the enterprise tax plan.

Recommendation 8

The 2018-19 Budget should continue funding of existing road safety infrastructure investment programs across the forward estimates, and seek to prioritise project selection for improving the safety standards of the Australian road network.

Recommendation 9

The Australian Government should return heavy vehicle charges and over-charging to improving road access for heavy vehicles by:

- Delivering a targeted funding round additional to existing commitments for the Heavy Vehicle Safety and Productivity Program, where successful projects will be based on opening up new routes for gazetted heavy vehicle access.
- Delivering a High Productivity Vehicle network program, where successful projects will be required to open up routes for gazetted, A-double road access.

Recommendation 10

The 2018-19 Budget should address road infrastructure gaps in rural, regional and remote regions by committing additional specific funding for rural, regional and remote road projects.

Recommendation 11

The 2018-19 Budget should build on the Australian Government commitment to fixing mobile phone black spots, by committing to a fourth round of funding focused on transport routes.

Recommendation 12

The 2018-19 Budget should invest in purpose-built livestock effluent disposal facilities on the Australian road network.

Recommendation 13

Australian Government investments in toll roads should require urban freight efficiency and connectivity to be prioritised, and prevent the setting of heavy vehicle toll charges that seek to maximise revenue and distort the efficiency of the overall transport network.

Recommendation 14

The 2018-19 Budget should commit to the establishment of a National Road Investment Fund, to be managed by a National Road Investment Corporation, to improve the long term efficiency and effectiveness of road investment.

3. Introduction – a national agenda on road safety and productivity

The Australian Government has stated that the 2018-19 Budget will continue the Government's focus on budget repair while also supporting fairness, opportunity and security for all Australians.¹ As a trading nation competing in the global economy, fair access to economic opportunity is not possible without efficient and effective supply chains.

Freight is critical to the national economy, enabling Australian businesses, farmers, manufacturers and consumers to access local and global markets. The national domestic freight task is forecast to grow 26 per cent by 2026, having already grown 50 per cent in the 10 years to 2016. The growth in freight is above both population and economic growth, with Australia's population predicted to grow by 17 per cent, and the economy is predicted to grow by 21 per cent, over the 10 years to 2024.²

Trucking is critical to moving Australia's freight task. The Productivity Commission has found that only 10 to 15 per cent of the freight task is considered to be contestable across both rail and road.³ For non-bulk domestic freight, more than 75 per cent is carried on Australian roads.⁴

Providing the backbone of supply chains, trucking is an Australian success story. Between 1971 and 2007, trucking industry productivity increased six-fold due to the uptake of high productivity vehicles like B-doubles. It has been estimated that in the absence of productivity improvements over this period that nearly 150,000 articulated trucks, in addition to the 70,000 registered for use in 2007, would have been required to undertake the 2007 articulated truck freight task.⁵

Australian trucking operators are global leaders that have pioneered modern, safer, and more productive vehicle designs. Road trains and high productivity vehicle combinations are delivering improved safety and productivity for our supply chains. An Austroads research report found that

¹ The Hon. Michael Sukkar MP, 20 September 2017, Media Release: 2018-19 Pre-Budget Submissions.

² National Transport Commission, August 2016, [Who moves what where: Final Report](#), 21.

³ Productivity Commission, December 2006, [Road and Rail Freight Infrastructure Pricing](#), XXIX.

⁴ Australian Government, 2014, *Trends: Infrastructure and Transport to 2030*, as quoted by Volvo Group Australia, 2016, *Professional Truck Shortage*

⁵ Bureau of Infrastructure, Transport, and Regional Economics, 2011, *Truck productivity*, pxiv

high productivity vehicles were safer, used less fuel, and offered significant economic benefits to a range of industries.⁶

Hardworking Australians in our local communities are driving our supply chains, with the trucking industry consisting almost entirely of small businesses, and characterised by tight margins. Imposing unfair costs or failing to build and maintain our road network will not deliver freight to another transport mode – it would just leave Australian goods uncompetitive and unconnected from the global marketplace. Without trucks – there is no supply chain.

Road freight is an enabler of opportunity, allowing businesses to reach domestic and international markets, consumers to purchase goods, farms to sell their produce, and construction materials to enable new developments. This is particularly critical to supporting jobs and economic growth in rural and regional communities. The Productivity Commission has reported on the importance of access to new domestic and international markets, provision of infrastructure, and removal of barriers to heavy vehicle access to encourage and support regional economic transition and development.⁷

More efficient and competitive supply chains enable increased economic output for other sectors. The Competition Policy Review (Harper Review) found that in relation to road transport:

Even small changes in productivity in this sector can cascade through the economy, boosting productivity and output in other sectors. Also, given the size of the road transport sector, enhanced productivity in road transport can deliver large gains to the economy.⁸

However, governments have failed to deliver the policy framework to improve trucking industry productivity over the last decade, as illustrated in table 1.

Table 1: Recent versus long-term productivity growth for the transport industry

Labour productivity		Multifactor productivity	
1989-90 to 2015-16	2007-08 to 2015-16	1989-90 to 2015-16	2007-08 to 2015-16
1.8	0.3	1.0	-0.8

Source: Productivity Commission, 3 August 2017, 5 Year Productivity Review Supporting Paper No. 1, 16.

Delivering more of the same will not deliver the road freight productivity improvements required to enable increased economic output, and improving safety, congestion and environmental outcomes. There is a clear and pressing need for an enhanced road freight productivity agenda.

In delivering this agenda for enabling opportunity for Australian businesses and communities, it is vital that road transportation is also safe.

There has been significant progress on making our roads safer. Figures prepared by the Centre for Automotive Safety Research for the ATA show that the rate of fatal articulated truck crashes fell 80 per cent between 1982 and 2015, despite the enormous growth in the number of trucks on the road.

But every one accident is one to many. The Australian College of Road Safety (ACRS) has reported that road trauma is costing the Australian economy over \$32 billion annually, with 25 people dying and 700 being seriously injured each week.⁹ There is no need for the opportunities created by the road network to come at such a significant personal and economic cost to Australians. There is no fairness, no opportunity, and no security in such a loss of life.

The Australian Government should enhance the national agenda on road safety and productivity as part of the 2018-19 Budget. This agenda should deliver short term measures to improve safety and productivity, as well as building a long term reform agenda.

⁶ Austroads, 2014, *Quantifying the Benefits of High Productivity Vehicles*, pi

⁷ Productivity Commission, April 2017, [Transitioning Regional Economies Initial Report](#), 121-127

⁸ Harper, Anderson, McCluskey, O'Bryan, March 2015, [Competition Policy Review Final Report](#), 38.

⁹ Australian College of Road Safety, 2017, [ACRS Submission to Federal Parliamentarians](#), 6.

4. Taking action to improve road safety and health outcomes

The Australian Government has announced an inquiry into progress under the National Road Safety Strategy 2011-2020. The ATA welcomes the inquiry, but considering the high costs of road trauma this inquiry should not delay further immediate steps to improve road safety.

Enhancing road safety funding

There is a strong need for road safety funding to deliver practical safety measures, such as educational and behavioural change projects.

The ATA has strongly supported the Australian Government's commitment to redirect funding from the abolished Road Safety Remuneration Tribunal (RSRT) to practical safety measures, with \$3.9 million per year allocated to the Heavy Vehicle Safety Initiatives (HVSI) program. The HVSI program should be enhanced and improved under a short and long term reform agenda.

In the short term, the HVSI program should:

- Be administered by the Australian Government, and not the National Heavy Vehicle Regulator (NHVR).
- Have funding proposals assessed and be recommended by an independent panel.
- Receive an additional \$2 million in annual funding, to deliver \$5.9 million annually in practical safety measures from 2018-19.

Improving road safety outcomes is a priority for the Australian road network, and there is no reason to restrict the funding of the HVSI program to the historical funding levels of the former RSRT. In light of the current over-recovery of heavy vehicle charges (as outlined in section five of this submission), the Australian Government should return some of the increasing overcharging of heavy vehicles through increased funding for practical heavy vehicle safety initiatives.

Additionally, program administration of the HVSI program should be reformed. The distribution of HVSI funding should ensure a fair geographic distribution of grants. Currently the HVSI program is administered by the NHVR, which has no responsibility for heavy vehicle regulation in Western Australia and the Northern Territory. The current management and historic distribution of funding under the HVSI program risks undermining the perceived geographic equity of the program against potential applicants from WA and the NT.

In the longer term, more substantial reform is needed to provide national leadership, independence, and stable funding for advancing road safety and practical safety measures. The ACRS has identified that there are concerns about the need for further action at the federal level, including resourcing and improved policy leadership.¹⁰

As part of the current inquiry into the National Road Safety Strategy, the creation of a National Road Safety Commission (NRSC) should be closely considered. Creation of an independent, statutory agency at the Federal level to provide independent policy advice on road safety would strengthen the national focus on improving road safety.

The NRSC should be given specific authority for monitoring and reporting against the National Road Safety Strategy, include the ability to self-initiate policy reviews, and have stable funding by which it could deliver practical safety measures, such as educational and behavioural change projects. As an example, administration of the HVSI program could become a longer term responsibility of the NRSC.¹¹

¹⁰ Australian College of Road Safety, 2017, [ACRS Submission to Federal Parliamentarians](#), 7.

¹¹ As an example, the creation of the [National Mental Health Commission](#) (NMHC) in 2012 was to provide independent reports and advice to the community and government on of the effectiveness of mental health services and programmes across Federal, state and territory governments, and private and non-government sectors. The proposed National Road Safety Commission would be a statutory agency, as opposed to an advisory panel.

Improving safety investigations of serious heavy and automated vehicle accidents

The introduction of increasing levels of automated driving technologies and fully autonomous vehicles will require reform to safety investigations of road accidents involving heavy or autonomous vehicles.

Accidents involving autonomous vehicles will need to be investigated by experts in the technology, safety systems and human factors so safety improvements can be made.

Presently road accidents are investigated by police and/or the coronial system. This existing system is not suitable to the need to investigate the causes of the accident with relevant experts, including where technology and software needs investigation.

In contrast, the Australian Transport Safety Bureau (ATSB) conducts independent investigation of transport accidents and other safety occurrences in the aviation, marine and rail modes of transport. The ATSB also seeks to improve safety and public confidence in those transport modes by pursuing excellence in safety data and research and fostering safety awareness, in addition to independent investigation of accidents.

The ATSB is an independent statutory agency that is separated from transport regulators, policy makers and service providers. It is not a function of the ATSB to apportion blame or to provide a means for determining liability.

The ATSB's role should be extended to include road accidents involving heavy or autonomous vehicles. The best way to understand the causes of accidents involving autonomous vehicles and generate recommendations to prevent their recurrence would be for those accidents to be investigated through a no-blame accident investigation process, including the ability to access data from the vehicles involved.

As an initial reform, the Government needs to establish a national public database of coronial recommendations about road safety and accident occurrences, together with responses and updates about the recommendations that have not been followed up. The database would need to be accessible to everyone: safety investigators, the industry, the public and the media. This new system would not require governments and the industry to follow every coroner's recommendation, but it would make sure these recommendations were seriously considered.

The ATSB has the expertise and infrastructure to run these databases to maximum effect and at minimum cost. In the longer term, the ATSB should be tasked with conducting no blame investigations of serious heavy and automated vehicle accidents where safety lessons can be learned.

Addressing suicide

On average, eight Australians take their own lives every day. Suicide is the leading cause of death for Australians aged between 15 and 44.¹² Research indicates that road and rail drivers have a significantly higher suicide rate of 22.6 per cent compared to 15.9 per cent for all other occupational groups.¹³ Truck drivers make up 63 per cent of suicides among road and rail drivers.¹⁴

Like physical health, mental health is not fixed. Mental health can vary from a functioning state of wellbeing through to severe symptoms of a mental health condition. Everyone has a role to play in

¹² Australian Bureau of Statistics as quoted by beyondblue, 2017, [Statistics and reference](#).

¹³ Per cent is per 100,000 and based on male suicide rates, which make up 98 per cent of suicide by road and rail drivers, over the period from 2001 to 2010.

¹⁴ Milner, A., Page, K., & LaMontagne, A., 2015, Suicide among male road and rail drivers in Australia: a retrospective mortality study, Road and Transport Research (Vol 24, No 2), 28.

creating a mentally healthy workplace, which benefits employees, their families, organisations and the broader community.¹⁵

The ATA encourages trucking businesses to establish mentally healthy workplaces. Likewise, the ATA encourages governments to provide and appropriately finance a system to support the mental health and wellbeing of the wider community.

In August 2017 the Australian Government announced further steps to deliver on the Government's mental health reform agenda, including strengthening the National Mental Health Commission and tasking it with responsibility for monitoring and reporting on the implementation of the Fifth National Mental Health and Suicide Prevention Plan, which was released in October 2017.¹⁶

The ATA welcomes these commitments, and the Government's commitment to \$47 million for more frontline services for suicide prevention.¹⁷ The 2017-18 Budget should continue the agenda for improving mental health and suicide policies and frontline services, with appropriate financial commitments.

Safer roads

Building a safer road network is also critical to improving road safety, which will be discussed further in section 6 of this submission.

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The Australian Government should provide the Australian Transport Safety Bureau with an extra \$4.3 million over four years to establish a national database of coronial recommendations about road safety and a national database of serious heavy vehicle accidents.

Recommendation 4

The Australian Government should continue delivery of the national agenda for mental health reform, suicide prevention and improved frontline services.

¹⁵ Sourced from beyondblue, provided directly to the ATA.

¹⁶ National Mental Health Commission, 7 August 2017, [National Mental Health Commission given greater powers](#), and [National Mental Health Commission announces key Fifth Plan role](#), NMHC media releases.

¹⁷ The Hon Greg Hunt MP, 14 October 2017, [Fifth National Mental Health and Suicide Prevention Plan released](#), Minister for Health media release.

5. Fair charges for competitive supply chains

Australia's global competitiveness will be restricted as long as trucking – as a major component of our supply chains – is overcharged. At present there is clear overcharging of heavy vehicle road user and registration charges.

Fair road user and registration charges

Truck and bus operators pay for their use of the roads through a fuel based road user charge, administered as a reduction in their fuel tax credits, and very high registration charges. The National Transport Commission found that this system overcharged truck and bus operators. Instead of reducing charges, governments decided to freeze heavy vehicle charges at 2015-16 revenue levels until 1 July 2018. As a result of the increasing numbers of heavy vehicles, freezing revenue has led to small reductions in heavy vehicle charges in 2016-17 and 2017-18.

In November 2017 transport ministers decided to increase the overcharging by freezing heavy vehicle charges, instead of revenue, for 2018-19 and 2019-20. Instead of further small reductions in charges as the number of heavy vehicles increases, charge levels will remain the same. This decision will increase the over-recovery of revenue from the industry. The projected over-recovery for 2018-19 will be \$189.5 million, an increase of \$40.7 million compared to the previous approach of freezing revenue.

In the short term, the proportion of heavy vehicle charges and over-recovery received by the Australian Government, including the increased overcharging revenue in 2018-19, should be returned to the heavy vehicle industry through improvements to road safety and better roads funding. This should include funding in 2018-19 for an enhanced HVSI program, as outlined in recommendation 1, and funding of a national high productivity vehicle (HPV) network, as outlined in recommendation 9.

In the longer term, the Australian Government should transition to independent price regulation of heavy vehicle charges, without carrying over the deficiencies and overcharging into any new system.

Fair toll road and landside port charges

Whilst trucking operators already overpay for their use of the roads, private toll road owners, state governments and stevedores have been increasing the unfair charges burden through toll and landside port charge increases, whilst avoiding a fair distribution of increases with light vehicles and other freight modes.

In April 2017, the toll for heavy vehicles using CityLink in Melbourne increased by up to 125 per cent to fund the CityLink-Tullamarine widening project.¹⁸

Meanwhile, in Sydney, the truck toll multiplier on the M2, Lane Cove Tunnel, M5 and M7 has increased to 3 times the car toll. And in Brisbane, the truck toll multiplier on the Logan and Gateway motorways will progressively increase to 3.46 times the car toll once the Logan Enhancement Project is completed in mid-2019.¹⁹

These state government approved toll increases apply only to trucks, even though all road users will benefit from the projects they fund. The arrangements for approving truck tolls are ad hoc and can lead to state-by-state ratcheting. International evidence suggests that the contracts are unlikely to be sustainable in the long term without external regulation.²⁰

¹⁸ Carey, A. "Big rise in CityLink truck tolls tipped to push heavy vehicles onto local roads," *The Age*, 29 January 2017. [Link](#).

¹⁹ Transurban, [Results for six months to 31 December 2016](#). ASX release, 7 February 2017, 8.

²⁰ Stern, J. "The relationship between regulation and contracts in infrastructure industries: regulation as ordered renegotiation," *Regulation & Governance* (2012) 6, 474-498.

The ATA and its members have similar concerns about landside port charges.

Earlier in 2017, DP World unilaterally increased the infrastructure surcharge at its Melbourne terminal from \$3.20 to \$32.50 per container and imposed a new surcharge of \$21.16 per container at its Port Botany terminal. The Port Botany surcharge could cost carriers up to \$150,000 per year. Trucking operators are charged through 1-Stop and payment is required within seven days, even though they cannot recover their costs for 30 days or longer.²¹

In November 2017, DP World announced the Sydney surcharge of \$21.16 will almost double to \$37.65 per container from 1 January 2018, representing a second big price increase in less than a year.²²

Separately, Patrick increased its existing surcharges at Fisherman Islands and East Swanson Dock from 10 July 2017. It introduced a \$4.76 surcharge per container at its Fremantle terminal and a \$25.45 surcharge per container at its Port Botany terminal, even though its total rent per square metre of occupied land area at Port Botany declined between 2013 and 2017. To its credit, Patrick extended its 1-Stop payment terms from seven to 30 days.^{23 24}

These charge increases cannot be avoided by trucking operators; they have not been subject to detailed regulatory scrutiny; they simply build additional costs into Australia's supply chains. As a result, the ATA considers that heavy vehicle tolls and landside port charges should be regulated by an independent regulator, such as the ACCC.

Lower business taxes

The Productivity Commission has identified that businesses are the immediate drivers of long-run productivity improvement. Similar to road user, registration, road toll and landside port charges, increased taxes on road freight businesses increase costs for Australia's supply chains. The Government should continue to prioritise lowering the tax burden on Australian businesses.

Recommendation 5

Australian Government revenue from heavy vehicle charges, including the increased overcharging in 2018-19, should be returned to road transport with increased road safety and better roads funding.

Recommendation 6

Toll road and landside port charges for heavy vehicles should be subject to an independent regulator, such as the ACCC.

Recommendation 7

The Australian Government should lower business taxes, including continued implementation of the enterprise tax plan.

²¹ O'Hara, S. [The true cost of DP World's crippling port tax](#), RFNSW media release, 5 April 2017.

²² O'Hara, S. [RFNSW slams DP World over second port tax hike](#), RFNSW media release, 15 November 2017.

²³ Patrick, [Patrick Terminals – Infrastructure Surcharge and Ancillary Charges: effective 10 July 2017](#).

²⁴ NSW Ports, [NSW Ports statement re Port Botany stevedore rents](#). NSW Ports media release, 21 June 2017.

6. Building modern roads to boost safety, productivity and connectivity

The road network connects Australians with jobs, services, family, friends, and the ability to access goods and markets. Critical to the functioning of our urban, rural and remote communities, investing in modern roads boosts safety, productivity and connectivity for the wider community.

Boosting safety

Safer roads represents one of the four pillars of the safe systems approach, central to the National Road Safety Strategy. Austroads has reported that in-depth crash studies have also shown that the road is a causation factor in about 30 per cent of all crashes, while it is known to be a factor in the severity outcome of 100 per cent of crashes.²⁵ With the right, targeted, road investments there is the real prospect for a substantial reduction in serious casualties due to run-off-road, head-on and intersection crashes as a result of improved design and construction of roads.²⁶

The Australian Road Assessment Program (AusRAP) has previously examined almost 22,000 kilometres of national highway, and awarded star ratings (between 1 (low) to 5 (high)) based on their level of safety. Their 2013 assessment reported that the national highways had the following star ratings²⁷:

Star Rating	Proportion of national highways (per cent)
1	9
2	30
3	53
4	8
5	0

The evaluation also included safety upgrade proposals estimated at \$4.7 billion, which would improve the star ratings of the national highways to be:

Star Rating	Proportion of national highways (per cent)	Change in percentage
1	3	Reduction of 6
2	12	Reduction of 18
3	55	Increase of 2
4	24	Increase of 16
5	6	Increase of 6

Whilst this assessment does not capture the impact of infrastructure investments since 2013, it also does not capture the safety standard of the extensive local and state road networks.

In addition to the ratings used by AusRAP and their proposed safety countermeasures, strong safety standards on our highways should also include the provision of sufficient rest areas, especially for heavy vehicles.

The goal of a safe road network and eliminating road trauma will remain hard to achieve as long as such large proportions of the Australian road network have a low safety star rating and standard. The 2017-18 Budget should seek to accelerate funding of the road network to a minimum, high level safety standard. Government funding guidelines should require a minimum, high safety standard from road investments.

In November 2017, the Australian Government announced a stronger road safety focus for roads to recovery funding, with the launch of the first ever roads to recovery statement of expectations. The statement will require council input on the safety benefits of their completed projects as a

²⁵ Austroads, *Road Geometry Study for Improved Rural Safety*, 2015, 1.

²⁶ National Road Safety Strategy, *Directions – what the strategy aims to achieve by 2020*, <http://roadsafety.gov.au/hrss/directions.aspx>

²⁷ Australian Automobile Association, 2013, [AusRAP Star Ratings Report](#), 4-5.

condition of funding in future years.²⁸ The ATA strongly welcomes this initiative as an important step towards ensuring Australian Government road investment is tied to delivery of a high safety standard road network.

Boosting productivity and connectivity

Likewise, investing in better roads is critical for boosting road freight productivity and connectivity for the wider community. The National Transport Commission has reported that the more productive a heavy vehicle, the more likely it is to be regulated under a permit regime.²⁹

The National Heavy Vehicle Regulator has also cited the need for increased access and greater use of high productivity vehicles as a priority area for road reform.³⁰ The economic benefits of allowing staged access for high productivity vehicles to the highways connecting Brisbane, Sydney, Melbourne and Adelaide have been estimated at an additional \$6.9 billion in direct real term benefits, with a majority of operational benefits a result of opening up the Hume Highway. This assessment by Austroads has also reported flow-on economic benefits in real terms of \$5.6 billion, where 48 per cent of this benefit will flow specifically to the manufacturing, building materials, transport and food sub-sectors of the economy.³¹

The higher regulatory burden on the use of more productive vehicles is a brake on productivity and economic growth for businesses relying on Australian supply chains. Similar to the need to accelerate funding of the road network to achieve a minimum, high level safety standard, the 2017-18 Budget should also seek to fund road improvements that are tied to improved general road access for heavy vehicles, and in particular high productivity vehicles.

Specifically this commitment should include the commencement of a gazetted, staged, modern, high productivity vehicle (HPV) road network for A-double combinations, similar to the current access and network for B-double combinations. The ATA's truck impact chart illustrates that a 19 metre B-double can potentially move 1000 tonnes of goods in 27 trips, whilst an A-double can reduce the number of truck trips for the same job down to 19 trips.³²

The Australian Government should target funding for a HPV national network to projects which are tied to opening up routes for gazetted, HPV access. The Hume Highway, which would require a small number of bridge strengthening works, provides an initial opening stage for this program.

Regional connectivity

The Northern Australia Infrastructure Audit found that the road network in Northern Australia is essential for connecting people and freight with places of residence and economic activity. Critically, the audit identified road infrastructure gaps, including:

- North – south access, as linking northern Australia to southern jurisdictions was found to be essential for the region's economic development.
- Road links between major northern urban centres to their hinterlands.
- Regional links for the resources industry.
- Agricultural industry road links.
- Bridge condition and strength, which can limit road route access for heavy vehicles and if improved, can also improve flood resilience.
- Urban road and public transport links, which impacts the overall performance of the road network and is critical for the economic and social needs of urban centres.³³

²⁸ Chester MP, the Hon Darren, 7 November 2017 media release, Road safety focus for roads to recovery program.

²⁹ NTC, August 2017, Assessing the effectiveness of the PBS Scheme: Discussion paper, 21.

³⁰ National Heavy Vehicle Regulator, 2017, [NHVR submission on the inquiry into National Freight and Supply Chain Priorities](#), 4.

³¹ Austroads, 2014, Quantifying the Benefits of High Productivity Vehicles, pi.

³² ATA, September 2016, [Truck Impact Chart, edition 2.1](#), 9.

³³ Infrastructure Australia, [Northern Australia Audit](#), January 2015, 111-114.

The Government's Developing Northern Australia white paper and related investment programs have made a welcome investment to improving northern Australia's road network, but these critical road infrastructure gaps remain.

At the ATA's national conference *Trucking Australia*, held in Darwin in June 2017, delegates identified a clear need for the upgrading of roads and bridges in northern Australia to allow year round use of the national highway network.

These outcomes from *Trucking Australia* reinforce the findings of the Northern Australia Infrastructure Audit and the need for them to be addressed. With northern Australia's proximity to growth markets throughout Asia road access is critical to realising the economic potential and opportunities flowing through the north.

The ATA acknowledges the progress made by the Australian Government under the Northern Australia Beef Roads and Northern Australia Roads programs. However, the size of the infrastructure gap will require additional investments.

Addressing road infrastructure gaps in remote and regional areas provides significant benefits. The 2016 report by Austroads, *Reforming Remote and Regional Road Funding in Australia*, found a number of benefits which include:

- Improved accessibility and connectivity to a community (such as providing year round road access, rather than access limited to six months of the dry season).
- Benefits associated with the avoided costs of having a better road (such as reduced storage costs for fuel and avoided delivery costs by other transport modes, such as air freight).
- Wider social benefits such as health and educational benefits.
- Ability for new trips to be made, which improve access to health, education, work, and shopping, delivering increased earnings, improved health, social involvement, and additional spending in local communities.
- Avoidance of relocation costs to larger communities, both for individuals involved and for the local smaller communities.³⁴

Boosting regional connectivity also requires upgrades to mobile phone coverage and livestock effluent dumping facilities. The ATA welcomes the existing Australian Government commitment of \$220 million to the Mobile Black Spot Program to invest in telecommunications infrastructure to improve mobile phone coverage along major regional transport routes, in small communities and in locations prone to natural disasters.³⁵

Fixing mobile black spots on transport routes is critical from an emergency and safety perspective, and will be a requirement before vehicles with higher levels of automation and other technological progress can be fully embraced on Australian roads. Budget 2017-18 should build on the Government's existing progress by committing funding for a fourth round of fixing mobile black spots, with a particular focus on transport routes.

Likewise, effluent control on public roadways is important for safety, animal welfare, commercial factors, amenity, biosecurity and the environment. There is a need for purpose-built livestock effluent disposal facilities on the Australian road network, similar to what is being developed in New Zealand. More information is available from the Australian Livestock and Rural Transporters Association submission on national freight and supply chain priorities.³⁶

Urban connectivity

The Australian Government's discussion paper on national freight and supply chain priorities identifies that urban growth pressures, port corridor pressures, and land use conflicts are a critical

³⁴ Austroads, [Reforming Remote and Regional Road Funding in Australia](#), August 2016, 45-75.

³⁵ Department of Communications and the Arts, [Mobile Black Spot Program](#), website accessed on 19 July 2017.

³⁶ ALRTA, 2017, [Submission to the inquiry into national freight and supply chain priorities](#), 6-8.

issue and emerging trend, with two thirds of the value of Australia's international trade flowing through the four largest cities of Sydney, Melbourne, Brisbane and Perth.³⁷ As Australia's urban regions grow, there is an increasing mix of different types of land use and an increasing challenge of managing urban congestion.

But increasing and unfair heavy vehicle toll charges, as discussed in section five of this submission, will increasingly put urban and freight connectivity at risk. A United States study into the effectiveness of different mechanisms for funding new roads reported that toll roads reduced the efficiency of the overall network and increased traffic on roads which are less direct, less efficient and sometimes less safe. The report also found that of the six different funding mechanisms considered, toll roads were the least effective and efficient mechanism for paying for new roads.³⁸

Independent evidence to the Australian Senate suggests that toll avoidance and rising toll levels are leading to a large number of freight vehicles avoiding tolled roads, leading to the creation of externalities for the community elsewhere on the network. Additionally, it suggested that there seems to be little basis for determining toll levels for freight vehicles apart from maximising revenue.³⁹

It is important that in seeking to address urban congestion and connectivity that governments do not build in new transport inefficiencies for years to come. Toll roads have the potential to improve transport efficiency in our cities by allowing, and encouraging, more productive heavy vehicles to utilise these corridors. Heavy vehicle toll charges should consider and prioritise incentivising heavy vehicles to utilise tolled routes without building in additional costs for businesses relying on Australian supply chains, and increasing the efficiency and safety of the overall urban road network. This should in the longer term be included in independent regulation of heavy vehicle toll charges, and in the shorter term, be included in Australian Government funding agreements for new toll road projects.

Independent road management

The case for road investment reform is clear. The Productivity Commission has reported that the current governance, taxation and institutional arrangements for the provision and funding of roads are ultimately unsustainable. The Commission also reported that road funding decisions are often based on inadequate information, inadequate assessment of the costs and benefits of projects, and are subject to budgetary and electoral pressures.⁴⁰

Austrroads reported that despite Australia spending approximately \$19 billion maintaining, expanding and operating our extensive road network in 2013-14, and despite steady growth in expenditure, parts of the road network are poorly maintained, accessibility in remote and regional areas continues to be a concern, the road network continued to be congested, and heavy vehicle productivity has plateaued impacting on freight transport costs and leading to an anticipated growth in the number of heavy vehicles on the network.⁴¹

In its public infrastructure report, the Productivity Commission recommended the adoption of a well-designed road fund model, where independent road funds would make transparent funding decisions.⁴² The funds would receive hypothecated revenue from road users and government funding to cover community service obligations. The Harper Competition Review made a similar recommendation.

³⁷ Australian Government, May 2017, Inquiry into National Freight and Supply Chain Priorities Discussion Paper, 11.

³⁸ American Transportation Research Institute, November 2017, A Framework for Infrastructure Funding, 40, 41, 46.

³⁹ Thompson, Associate Professor Russell, 3 August 2017, Senate Economics References Committee hearing on operations of existing and proposed toll roads in Australia, 10.

⁴⁰ Productivity Commission, [Public Infrastructure](#), May 2014, 303.

⁴¹ Austrroads, [Reforming Remote and Regional Road Funding in Australia](#), August 2016, i.

⁴² Productivity Commission, [Public Infrastructure](#), May 2014, 303.

Establishing road funds with operational independence from governments would help separate long term infrastructure decisions from the budgetary and electoral cycles. The road funds would require stable, long-term funding to enable them to enter into contracts which can seek efficiency savings for road investments, including for maintenance. Road funds should also be required to utilise freight and traffic data to make investment decisions based on achieving improved network outcomes. Governments should continue to set the outcomes required of the network.

An example of reform options can be seen in New Zealand, which operates a road fund with independent assessment of investments, and the United Kingdom, which is progressing a significant road funding and investment reform agenda. This agenda would improve the efficiency of roads funding in the longer term, contributing to budget repair.

Recommendation 8

The 2018-19 Budget should continue funding of existing road safety infrastructure investment programs across the forward estimates, and seek to prioritise project selection for improving the safety standards of the Australian road network.

Recommendation 9

The Australian Government should return heavy vehicle charges and over-charging to improving road access for heavy vehicles by:

- Delivering a targeted funding round additional to existing commitments for the Heavy Vehicle Safety and Productivity Program, where successful projects will be based on opening up new routes for gazetted heavy vehicle access.
- Delivering a High Productivity Vehicle network program, where successful projects will be required to open up routes for gazetted, A-double road access.

Recommendation 10

The 2018-19 Budget should address road infrastructure gaps in rural, regional and remote regions by committing additional specific funding for rural, regional and remote road projects.

Recommendation 11

The 2018-19 Budget should build on the Australian Government commitment to fixing mobile phone black spots, by committing to a fourth round of funding focused on transport routes.

Recommendation 12

The 2018-19 Budget should invest in purpose-built livestock effluent disposal facilities on the Australian road network.

Recommendation 13

Australian Government investments in toll roads should require urban freight efficiency and connectivity to be prioritised, and prevent the setting of heavy vehicle toll charges that seek to maximise revenue and distort the efficiency of the overall transport network.

Recommendation 14

The 2018-19 Budget should commit to the establishment of a National Road Investment Fund, to be managed by a National Road Investment Corporation, to improve the long term efficiency and effectiveness of road investment.