

Laying the Foundations

March 2016

Submission by Roads Australia to Infrastructure Victoria

About Roads Australia

Roads Australia (RA) is a not for profit, apolitical industry association, recognised as the nation's peak body for road transport stakeholders.

Our organisation draws attention to the importance of our roads as part of an integrated transport network supporting the economic and social fabric of our nation. Roads Australia seeks to ensure that information and decision-making in relation to road transport is well informed and reflects an appropriate level of priorities.

To that end, Roads Australia provides a forum for policy development and communication, where industry works in a cooperative relationship with decision-makers across all levels of government.

Our 118 member organisations, include major construction and engineering firms, road user groups, as well as road and transport authorities across the country. (Please refer to members list attached.)

Roads Australia's membership embraces a very broad spectrum; the views expressed in this paper represent the general views of members, but are not necessarily representative of the views of all individual members.

Roads Australia would be pleased to provide further information or discuss any of the areas raised in this submission.

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Introduction

The arrival of Infrastructure Victoria comes at a pivotal time, when urban congestion, disruptive mechanisms and customer expectations are driving transformation across Victoria's mobility system.

Challenges of sustainable growth, freight efficiency, resilience of critical infrastructure and extracting better value from infrastructure expenditure will benefit from the opportunity Infrastructure Victoria presents - a fundamental rethink on how we shape, plan, pay for, operate and maintain our transport infrastructure.

Competitive economies proactively explore the most efficient and effective ways to deliver for their 'customers' *first*, knowing the dividend will be higher quality and more diverse opportunities for their people and industries.

World leading innovation, strong intellectual property protection, proactive technology adoption and labour market efficiency are key strengths in economies that dominate global competitiveness rankings (*World Economic Forum Global Competitiveness Report 2015-2016*). So it's no surprise that they also house the world's most enviable transport systems.

Savvy financial markets in these economies prioritise investment to the efficient movement of goods and services, world-class infrastructure and a skilled labour force resilient to change.

These are the core pillars of a successful, competitive economy; a position Victoria aspires to, and one in which the 30 year Victorian Infrastructure Plan should seek to achieve.

Plan for a new age of transport

Transformational change of the transport system is fast approaching.

The age of the privately-owned automobile, as we know it, is coming to an end. The era of autonomous vehicles is clearly in sight, and with its arrival the environment that facilitates the movement of people, information and goods is morphing into an on-demand, customer-driven system of mobility.

We must be extremely careful not to plan our future transport networks based on assumptions that are likely to be redundant within as little as a decade from now.

Infrastructure Victoria needs to base all of its planning on the type of infrastructure we shall need in a future of dynamic change. For example, driverless on-demand pods for people and freight mobility.



Key strategies well-supported by Roads Australia include:

- **Greater collaboration in planning**

Roads Australia acknowledges the challenges of sustainable growth and strongly supports greater collaboration in planning, particularly where transport and land use strategies integrate to preserve key freight and passenger corridors for future use.

- **Improved connectivity and accessibility**

A move towards a customer-focused, performance-based fully integrated transport network is a key strategy well-supported by RA.

Integrated transport service provision that maximises participation in work, education and tourist pursuits and dynamically implements improvements to benefit freight and passenger mobility will create a real-time marketplace promoting the fastest and cheapest ways of getting from A to B.

There is an urgent need to reduce the necessity of car travel and to enable better use of public and active transport to mitigate urban congestion.

There is a need to create the impetus for people, freight and information to move freely and efficiently, not just within Melbourne, but between regional centres, and for regional and peri-urban areas to reliably connect to major urban centres.

- **Productivity and creating a competitive edge**

Freight and supply chain efficiency is key priority to enhancing productivity growth and global competitiveness for Victorian supply chains.

There is a need to better understand the requirements of existing and emerging markets across Victoria, particularly in the food and agriculture sector, to ensure supporting road transport infrastructure is planned and in place to increase productivity, maximise the value of producing assets, reduce transport cost and time to market, improve shelf life and drive competitiveness.

Roads Australia supports the prioritisation of investment in key freight corridors across the Victorian highway network to enable use by higher productivity vehicles, and then the opening up of those routes for Performance-Based Standards vehicles.

Any plans need to incorporate both 'first' and 'last mile' solutions, such as side roads, bridge upgrades and rail connections, as part of the overall investment to ensure freight customers efficiently reach their destinations.



Any infrastructure improvements need to support the freight and logistics industry focus on reducing operational costs and increasing revenue opportunity.

For example, reducing transport costs for wheat and grain can immediately bring significant international competitive benefits to Victoria.

- **Better utilisation and increasing resilience of existing assets**

The potential for existing transport assets to deliver more is widely recognised.

Greater efficiencies in management, improved maintenance strategies and smart use of intelligent transport systems can 'sweat' the road transport network and extend the life of road assets without a new infrastructure build.

To that end, there is a need to examine ways to improve and maintain the resilience of the existing portfolio of Victorian road transport assets and to mitigate the risk of disruption, and for this to be considered through the application of whole of life costing projections.

There is a need to define appropriate levels of service from the portfolio to ensure 'fit for purpose' but also to balance asset performance, community outcomes and risk.

Where investments are made, there is a need to ensure local government grants are tied to a regional approach to road network management, prioritisation and delivery, and that the resulting performance from those investments are measured and published.

- **Sustainable funding of road transport**

Roads Australia understands the funding challenges to finance a healthy road transport network, and therefore welcomes investigations into the introduction of a user pays road transport system.

There is a need to work with all stakeholders to achieve the goal of a transparent, fair, efficient, integrated network for all modes: public transport, roads, rail, freight, cycling and pedestrian.

There is a need to support new and existing trials for user pays road transport services, encourage hypothecation back to the road transport system, and to assist greater community understanding of the benefits of user-pays systems.

Roads Australia will support Victoria in any quest to investigate the pros and cons of mass-distance charging for heavy vehicles, car-based user charge systems, time-of-day toll charges (to help manage peak demand) and area-based charging.



- **Raising the public perception of the value of infrastructure**

Community support for major infrastructure can no longer be taken for granted. The case for investment in infrastructure, based on community benefit, has to be prosecuted more strongly.

Major urban transport projects have always had a polarising effect on the community, and in Victoria necessary road transport infrastructure to improve productivity and liveability for communities have become political footballs, where taxpayers have paid massive cost with no improvement in service.

As a rule, industry and governments don't do a great job of capturing and 'selling' the benefits of major infrastructure before it is built, let alone after it is completed, therefore, RA applauds Infrastructure Victoria's strategy to engage citizen juries to involve the community so that they can have say in the planning of their infrastructure too. There is a need to continue to engage the community as a matter of course, right through and post the implementation of a 30 year plan.

Examples of past nation building projects such as the Snowy River Scheme and, more recently, the Hume Highway duplication, can also be used to demonstrate the link between infrastructure investment and improved liveability and productivity.

- **Climate change and adaptation**

As a major contributor to Australia's total greenhouse gas emissions, road transport infrastructure must continue to embrace innovation to reduce emissions, improve energy-efficiency and increase the use of renewable resources.

Throughout planning and design cycles, construction methods, operational frameworks and sustainable environmental outcomes ensuring infrastructure can adapt to continue to service communities, despite the increasing number and intensity of extreme weather events, is essential.

- **Happy customers**

The key to a successful transport network is hidden in community satisfaction, and the expectation of a transport experience is here.

Predictable, seamless journeys across both road and public transport networks are a focus of transport customers, and therefore road and transport agencies in Australia, and internationally.

Many Australian states have already defined the important factors that create customer value for the transport service sector. This information is being used to assist the transport infrastructure they operate and maintain to deliver their service promise (that every journey matters) for their customers.

Communication with customers before, during and after their transport experience is the new normal, and fundamental to influencing the value of the service provision transport infrastructure provides.



- **A positive outcome**

Victoria has a unique opportunity to completely re-draw road transport infrastructure priorities to create a strong and unique global positioning for Victorian markets operating locally and overseas.

It is hoped that the 30 year plan will kick-start momentum in this state to deliver fair and sustainable liveability for communities right across Victoria with strong collaboration and ownership throughout local government.

The plan should create an environment where both community and industry are well-aware of the productivity aims of the state and the value that their investment in infrastructure provides.

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