



RA
Submission to
Treasury
2023-24
Pre-Budget
Submission



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Background:

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

RA prides itself on being a leader in the industry. The organisation strives to be at the forefront of setting the industry up for success and pioneering new ways to be able to attract and retain highly skilled people now and into the future. This is iterated in the [RA Strategic Plan 2022-2024](#) which outlines our four strategic values as being:

The leader

To be a leading voice of influence.

RA is recognised by government, industry and the community as driving value and connectedness for the Australian roads and integrated transport sector.

The facilitator

To facilitate contributions to the industry and public policy.

Develop and communicate sound, evidence-based policy solutions encompassing safety, capacity, transport reform, customer experience and sustainability.

The collaborator

To collaborate on the efficiency, development and national priority of Australia's roads and integrated transport systems which underpin the social, economic and cultural fabric of the nation.

Promote recognition by government, industry and the community of the critical importance of Australia's roads and integrated transport in infrastructure assets and networks.

The champion

To champion a diverse, inclusive, sustainable and values-led organisation and industry.

Support our people to be high performing through our culture and systems.

Our main priority in embodying these characteristics is to make positive changes to the integrated transport system and our member organisations – both of which sit within the context of the construction industry.

The [RA Strategic Plan 2022-2024](#) outlines RA's four policy themes: Place Making; People; Data & Technology; and Resilience.

Our strategic plan also includes three policy goals:

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

Recommendations:

While there are many recommendations RA could be making for the Federal Budget, we have focused this submission around the following priority areas, which are of the most immediate concern to our industry.

Road Worker Safety.

1. RA recommends the Federal Government support the Office of Road Safety and Safe Work Australia in the collection and analysis of data on road worker safety.
2. RA recommends the Federal Government fund a national road worker safety education and awareness campaign.
3. RA recommends the Federal Government consider adopting RA's Road Worker Safety Industry Guideline on transport projects it funds.

Decarbonisation of transport infrastructure

4. RA recommends the Federal Government resources the development of a pathway plan towards net-zero transport infrastructure.

This should include:

- a) a national approach to the development and operation of environmentally sustainable and climate change ready transport infrastructure; and
- b) support for research and development of new low emission and recycled materials to replace the use of high emission virgin materials and the acceleration of changes to standards to allow their use in construction and maintenance.

Decarbonisation of transport trips and services

5. RA recommends the Federal Government consider the recommendations in RA's submission to the National Electric Vehicle Strategy. In particular, RA recommends the Federal Government support a transition plan that is nationally

coordinated and closely aligned with the transition of the energy sector, to ensure the productivity gains are maximised through an effectively planned and implemented rollout.

6. RA recommends the Federal Government consider supporting safety improvements for active transport modes, through infrastructure investments as well as education and awareness programs.
7. RA recommends the Federal Government support the harder-to-transition transport sectors, especially long-haul freight and public transport, as well as construction plant and equipment. This includes looking at green hydrogen as a replacement fuel.

Delivering value through infrastructure

8. RA recommends the Federal Government incentivises jurisdictions to implement positive procurement reforms (including where appropriate increasing the use of collaborative delivery models and a more mature approach to the identification and allocation of risks) through project funding mechanisms or other methods, as outlined in the RA report, Momentum for a sustainable transport sector.
9. RA recommends the Federal Government consider supporting a national pipeline of projects that allows infrastructure delivery agencies to amend and match project schedules with the available industry capacity. This may be achieved using the IA developed Market Capacity Intelligence System to help jurisdictions make decisions around the sequencing of projects.
10. RA recommends the Federal Government consider the development of a national framework for social procurement in the provision of new transport infrastructure, to provide national consistency in approach, assessment, evaluation and valuation of social procurement efforts.

11. RA recommends the Federal Government supports moves to introduce a nationally standardised 'digital by default' approach to improve the efficiency and productivity of infrastructure project delivery.

Skilled workers and labour challenges

12. RA recommends the Federal Government ensures that the increased migration program is contributing to the skills and capacity requirements needed to deliver the growing pipeline of transport infrastructure projects across the nation.
13. RA recommends the Federal Government supports cultural change in the construction industry to improve the diversity within the sector and therefore widen and deepen the available talent pool.
14. RA recommends the Federal Government works with jurisdictions to reduce barriers to the movement of skills and capability across jurisdictional borders through mutual recognition of skills and qualifications.
15. RA recommends the Federal Government works with jurisdictions to facilitate the entrance of people from other industry sectors with transferable relevant skills into the transport infrastructure sector.

Road Worker Safety

Everyone who uses and works on our transport infrastructure deserves to be kept safe.

An increased pipeline of work resulting from unprecedented investment into new transport infrastructure and the recovery of the network following floods and other natural disasters means safety at transport worksites needs an even greater focus.

In many jobs being undertaken, the only barriers between workers and road users are orange cones. This is especially the case in repairing damage caused by rain and floods.

RA continues to work with jurisdictions to improve the safety at road work sites, including speed enforcement where the Queensland Government has taken [action](#) but we need the national coordination that can only come from the Federal Government.

Nationally coordinated and harmonised data collection will help researchers and jurisdictions assess and take action, hopefully before people are killed or seriously injured.

Additionally, driver behaviour around our road work sites can cause issues. This will occur more frequently as more roads require temporary speed restrictions as result of flood damage. There is a strong need for a national education campaign, similar to this [New Zealand example](#), to reinforce messages to the travelling public to respect temporary speed restrictions and road workers.

Another role the Federal Government can play is by putting in requirements to federal infrastructure grants for jurisdictions to apply higher levels of safety.

RA is working on several ways jurisdictions can support this higher standard. Members have informed us that they are often forced to reduce their safety spending in tenders to reduce the overall cost of their bids in order to put in a competitive price. Along with other industry associations, RA has been working with delivery agencies in state government to separate the value of safety from the overall bid when being assessed.

Another key piece of work RA is about to complete is the development of a Road Worker Safety Industry Guideline.

This is not meant to replace the current Guide to Temporary Traffic Management produced by Austroads, but it will allow companies to sign up to and promote themselves as voluntarily accepting a higher standard of safety.

When this guideline is released, it is hoped that it will over time become the new minimum standard accepted by governments on their tenders.

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Decarbonising transport infrastructure

In June 2022, RA, along with the Infrastructure Sustainability Council and the Australasian Railway Association released a report looking at best practice case studies for the decarbonisation of transport.

[The journey to net-zero: Inspiring climate action in the Australian transport sector](#) outlines best practice cases for decarbonisation in transport, internationally and locally, using current technology.

The opportunity and barriers to increasing the use of recycled material and moving towards a more circular economy are also well covered in the recent [2022 Replacement Materials](#) report from Infrastructure Australia.

Roads have been using recycled materials for decades, but there is still a lot of work required to switch over to circular economy principles, including updating of standards and guidance for engineers and designers as well as awareness and education campaigns to improve awareness of available materials.

Additionally, with construction using emissions intensive materials, such as steel and concrete, more research is required to find and approve for use new lower and eventually zero emission replacements.

A nationally harmonised plan, including support from jurisdictions, that sets out the pathway for this approach, as well as providing funding for research, development and standards development would help the construction industry as a whole start taking significant steps to reduce their emissions.

Along with reducing emissions from construction materials, improving the way we plan and design, as well as methods of construction can have a large impact on the emissions from construction and operations. More on this is included in RA's [Procurement Reform Report Update: Momentum for a sustainable transport sector](#), as well as in the **Delivering value through infrastructure** section of this submission.

4. RA recommends the Federal Government resources the development of a pathway plan towards net-zero transport infrastructure.

This should include:

- c) a national approach to the development and operation of environmentally sustainable and climate change ready transport infrastructure; and
- d) support for research and development of new low emission and recycled materials to replace the use of high emission virgin materials and the acceleration of changes to standards to allow their use in construction and maintenance.

Decarbonisation of transport trips and services

In the necessary transition to a zero-carbon economy, transport services, which make up approximately 18% of Australia's emissions, play a very important role.

The development of the National Electric Vehicle Strategy by the Federal Government is welcome. [RA's submission](#) included recommendations that will assist in delivering the transition in the most productive and successful manner.

To secure optimised outcomes, we require a national transition strategy, supported by transparent reporting of the right metrics and continuous reviews. The transition should take the form of a rising tide, rather than getting hit by a tsunami of change.

If EV sales exceed the pace of required changes to energy generation and supply, then there will be disgruntled EV customers whose negative sentiment risks slowing down take up in communities that are harder to transition. If the energy transition occurs before EV sales have increased sufficiently, then consumers will have to not only pay for petrol, diesel etc, but also through their electricity bills for the increased investment needed to support the expanded energy infrastructure.

There are also gains to be made, not only for emissions reduction but also for health, safety and congestion management, from increasing the use of active and public transport as replacements for private vehicle use.

Walking and cycling are already zero emission transport options. Adding to this includes new e-mobility options such as shared bike and scooter schemes in many capital cities. [One recent survey](#) undertaken by academics at Monash University found that more than 75% of the people surveyed are interested in riding a bike, but only in protected bike lanes. Women in particular prefer cycling paths separated from motor vehicles.

By investing into active transport infrastructure, especially safety improvements, as well as education and awareness campaigns aimed at improving real and perceived safety concerns, it

will create an environment where people will more likely choose to walk or cycle leading to a safer, greener and more efficient transport system.

Many diesel-powered transport services (and construction plant and equipment) are proving to be harder to transition than light vehicles.

While intra-city public transport buses and light trucks have an increasing number of zero emission options emerging, long distance public transport and freight still lags in zero carbon options.

Hydrogen fuel cells and other technology are being investigated for these services and the Federal Government should continue to consider international trials while supporting research and development to create opportunities in Australia.

5. **RA recommends the Federal Government consider the recommendations in RA's submission to the National Electric Vehicle Strategy. In particular, RA recommends the Federal Government support a transition plan that is nationally coordinated and closely aligned with the transition of the energy sector, to ensure the productivity gains are maximised through an effectively planned and implemented rollout.**
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Delivering value through infrastructure

With the Federal Government providing significant funding ([\\$120 billion over 10 years](#)) to infrastructure projects, including a large amount to transport projects, government has a role to ensure that this funding results in well-planned and efficiently delivered infrastructure projects.

In December 2022, RA released [Procurement Reform Update: Momentum for a sustainable transport sector](#) an update to our 2020 Procurement Reform Report.

This report considers the significant issues that have arisen in the last two years, including geopolitical, environmental and of course the complications from the COVID-19 pandemic and updates our previous recommendations.

RA is not alone in pointing out these issues to the federal government, with many other organisations and industry associations calling for change, including Infrastructure Australia (IA) who have released comprehensive [Market Capacity Reports](#) and provided recommendations to government through their [Delivering Outcomes](#) report.

IA's most recent market capacity report highlights a growing pipeline of work with the market arguably operating at capacity and risking the sustainability of the sector.

Reforms to the way projects are planned, procured and constructed can help alleviate the stress in the market.

There are 28 recommendations in *Momentum for a sustainable transport sector*, many of them aimed at the industry and state and territory governments. However, national coordination and planning is imperative if the current, large pipeline of transport projects are to be delivered efficiently and effectively.

Another key response that will help manage the current issues in the market involves collaboration and shared allocation of risks outside the control of either party. International and recent local experience in the use of collaborative contracting, especially for complex projects, has shown improvements to value and productivity within projects by being more open to new ideas and

technologies and reducing time spent in overly administrative and adversarial work.

The stagnant productivity growth in infrastructure construction can be assisted through a nationally standardised 'digital by default' approach, as outlined in the IA report *Delivering Outcomes*.

With jurisdictions each developing their own digital strategies, the Federal Government can work to ensure national consistency and interoperability to maximise the productivity benefits from the take up of these various technologies. The Federal Government can also use the strength of its infrastructure investment and its role in skills and education to support and accelerate the take up of this approach.

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Skilled workers and labour challenges

Infrastructure Australia's Market Capacity Report outlines significant labour shortages within the infrastructure sector. It reports a shortage of 214,000 skilled workers within public infrastructure projects, such as transport projects, with demand expected to grow.

The restrictions on migration over recent years has also impacted the ability to bring in skilled migrants to, in part, respond to labour shortages. In addition, there are restrictions on interstate migration of skilled workers resulting from differences in the recognition of qualifications.

One solution to improve the supply of labour is by making the sector more attractive. Currently the sector's long working hours, poor employee wellbeing and lack of diversity is restricting its ability to attract and retain talented individuals. The adversarial nature of contracting, as outlined in the **Delivering value through infrastructure** section of this report also contributes to the poor wellbeing outcomes and unattractive nature of the sector.

There are steps occurring to improve the culture of the sector through the [Draft Culture Standard](#) produced by the Construction Industry Culture Taskforce. Both NSW and Victoria have implemented pilot projects to test the effectiveness of various actions to improve culture on projects.



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