



2017-18 Budget Submission

PREPARED FOR THE ACT GOVERNMENT

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About the NRMA

Better road and transport infrastructure has been a core focus of the NRMA since 1920 when our founders lobbied for improvements to the condition of Parramatta Road in Sydney. Independent advocacy was the foundation activity of the organisation and remains critical to who we are as we approach our first centenary.

From humble beginnings, the NRMA has grown to represent over 2.4 million Australians principally from NSW and the ACT. The NRMA also provides motoring, mobility and tourism services to our Members and the community.

Today, the NRMA works with policy makers and industry leaders to advocate for increased investment in road infrastructure and transport solutions to make mobility safer, provide access for all and to deliver sustainable communities. By working together with all levels of government to deliver integrated transport options we can give motorists a real choice about how they get around. The NRMA believes that integrated transport networks, including efficient roads, high-quality public transport and improved facilities for cyclists and pedestrians, are essential to solve the challenge of growing congestion and provide for the future growth of our communities.



Comments and Queries

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Introduction

The NRMA is amongst the largest member organisations in Australia with 2.4 million Members across NSW and the ACT. Our goal is to keep people moving, work with government and industry to improve the productivity of our road network, and develop solutions to the ever increasing problem of congestion and mobility.

The NRMA is no longer just a roads and motorists organisation. Our 2.4 million Members are not just road users; they are also public transport users, cyclists and tax payers. As such, we are focused on ensuring all forms of mobility are adequately planned for and funded in the most cost-effective and efficient manner possible. By working together with all levels of government to improve not only road infrastructure but public transport, we can give citizens a real choice about how they move around.

The NRMA recognises the fiscal challenges and competing priorities the ACT Government will face in the preparation of its 2017-18 Budget and forward estimates. The NRMA realises that the continual uncertainty on the Commonwealth's AAA credit rating and the weaker GST outlook will likely limit the ability to increase funding for projects over and above what is in the forward profile.

In framing our submission to the 2017-18 ACT Government Budget, the NRMA is seeking to promote programs, initiatives and key infrastructure projects that align with the shared values of our organisation, and will deliver the greatest return for the Government's investment. These shared values keep our Members safe on our roads, reduce travel times, and ensure the community remains connected to family and employment opportunities. Our shared values are the concepts that are most important to our Members and stakeholders, and form the core of our business strategy:

Safe mobility

It is important for all users of our roads, public transport networks, cycle lanes and footpaths to be, and feel, safe as they go about their day-to-day activities getting from A to B. For the NRMA, safe mobility is about investing in road and public transport infrastructure, protecting vulnerable road users, encouraging safer driving and the purchase of safer vehicles.

In the ACT, the William Slim Drive and full Gundaroo Drive duplications, Barton Flyover and continued investment in road safety initiatives for cyclists are necessary to improve the quality of the road network, reduce congestion and ensure motorists remain safe.

Access for all

All citizens at some point have a need to get somewhere. However, for some of our citizens, ease of mobility and access to a range of transportation options is difficult and often restricted. This is especially prevalent in the growing outer suburbs of the ACT, as well as surrounding satellite towns in NSW such as Yass and Young.

For the NRMA, access for all is about spreading transport load to outside the peak, encouraging fewer lone trips, shifting to other modes of transport, creating more mobility choice and keeping transport affordable and productive.

In this light, Stage 2 of the Canberra Metro, bus franchising and integrated park and ride strategies all provide an opportunity to deliver cheaper and improved services, while providing alternative modes of transport to the citizens of the ACT while delivering cost savings to government.

Sustainable communities

Many communities, both urban and regional, lack necessary connections to services, social infrastructure and economic opportunities. As a country with a low population density centred in a small number of major cities, it is often more difficult to fund infrastructure, especially in the regions.

For the NRMA, sustainable communities is about improving access to services, increasing the number of connections between regional communities, improving access to employment, and growing the capacity to support visitation in regional areas.

Facilitating tourism to Canberra and the surrounding regions is also a way of diversifying the economic base of these communities. The international status of Canberra Airport and the work of VisitCanberra are important facilitators of visitation and economic activity in the region and should continue to be supported through investment and infrastructure planning.

The following submission summarises the key road, public transport and planning commitments the NRMA is seeking from the ACT Government ahead of the 2017-18 Budget. These projects will ensure the ACT and its residents remain connected, mobile and productive.



Recommendations

The NRMA's ACT Budget Submission for 2017-18 seeks to promote programs, initiatives and key infrastructure projects that align with the shared values of our organisation.

This submission provides the ACT Government with recommendations that aim to address the infrastructure and mobility challenges for the Territory in the future. The NRMA urges the ACT Government to consider these recommendations carefully as they will reduce congestion, improve travel times and save lives on ACT roads. But ultimately the NRMA believes these projects will enhance the liveability of the ACT.

2017-18 Budget Priorities

Safe Mobility

1. Commit funding for the William Slim Drive duplication.
2. Provide timeline and funding commitments for the full duplication of Gundaroo Drive.
3. Begin planning works for the Barton Highway Flyover, using testing data from the traffic light installation to guide development.
4. Continue to fund segregated bicycle pathways in and around Canberra.
5. Establish a dedicated road maintenance fund to support future road infrastructure upgrades.

Access for all

6. Provide timetable and funding commitments for Stage 2 of Canberra Metro.
7. Expand the Park and Ride Facilities program to support multi-modal transport use.
8. Continue to progress integrated transport solutions including the Integrated Transport Network – Parking strategy.
9. Make publicly available the benchmarking results for ACTION services and investigate alternative models for service delivery.
10. Plan and incentivise autonomous vehicle trials in the ACT.
11. Develop a transport and infrastructure plan that considers the needs of the elderly.

Sustainable communities

12. Appropriately plan infrastructure and transportation links to Molonglo Valley.
13. Maintain funding commitments for VisitCanberra in real terms in 2017-18 and over the forward estimates.



2016-17 ACT Budget

The ACT Budget is of particular importance to the NRMA as it determines the extent to which our Members will receive services and infrastructure in return for the considerable funds they pay to Government via motor vehicle taxes and charges.

In the 2016-17 ACT Budget, revenue from motorists was expected to increase to \$240.9 million, up \$23 million on the previous year, with future revenue projections rising to \$254.7 million by 2019-20 (see Table 1).

Table 1: Motor Vehicle Taxes and Charges collected from ACT motorists (\$ million).

	Estimate Outcome 2015/16	Budget 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20
Motor Vehicle Registrations/Transfer	27.6	30.6	31.3	32.4	33.5
Motor Vehicle Registrations	118.7	127.4	135.7	144.6	144.5
Drivers Licences	10.6	11.0	11.2	11.5	11.3
Parking Fees	15.5	19.0	19.6	20.2	20.2
Traffic Infringements	19.6	24.3	27.8	29.1	28.9
Parking Fines	11.6	14.4	15.3	16.2	16.2
Total Revenue	203.8	226.8	240.9	254.0	254.7

Source: ACT 2016-17 Budget Paper No 3: Chapter 6

The ACT Government allocated \$165 million to the capital works programme for transport projects in 2016-17, with \$119.7 million going to roads and \$34.2 million to public transport, including the Capital Metro project.

The NRMA welcomed major capital road expenditures (over \$80 million) in the 2016-17 Budget for:

- Ashley Drive Duplication.
- Aikman Drive Duplication.
- Gundaroo Drive Duplication.
- Majura Parkway to Majura Road – Link Road.
- Cotter Road Duplication.
- Molonglo Valley land release development.
- Gungahlin land release development – Horse Drive Duplication.
- Majura Parkway completion.

The NRMA is also supportive of planning and investment in public transport that meets the needs of passengers and contributes to reduced traffic congestion. Integration of various transport modes will be crucial to improving the efficiency of passenger movements in the ACT.

However, the importance of the road network in the ACT cannot be overstated. Roads are the arteries of modern day life and economic activity and are necessary for the efficient distribution of goods and services.

The ACT has all the lifestyle amenities, services and events of a world-class city, yet the road network is slipping to a standard far below that expected of the nation's capital.

In recent years traffic congestion has increased in a number of precincts that are crucial to providing connectivity for motorists in the ACT. This is particularly evident in the developing Gungahlin area in the north of Canberra. This has implications for residents as they travel to and from work during the commuter peak periods.

The NRMA calls upon the ACT Government to develop and implement an integrated road and transport network plan to meet the Territory's current and future growth needs. This is needed to address the current deficiency of the road network and ensure that the ACT is liveable, competitive and becomes more prosperous.



Key projects

The ACT Government's investment in the road network, public transport and urban planning should not be thought of as a cost impost, but as an investment in the Territory's future prosperity and productivity. The NRMA submits that the following projects require funding in the 2017-18 ACT Government Budget:

Safe Mobility

William Slim Drive Duplication

The ACT Government recognised the significant need to upgrade William Slim Drive ahead of the 2016 election. The NRMA understands design works for the William Slim Drive duplication were completed in October 2013. Currently no funding has been allocated to commence construction. As the population of the Gungahlin region continues to grow, the road network connecting Gungahlin with Belconnen has become increasingly congested, especially during the peak traffic periods. The NRMA is seeking funding to be committed in the 2017-18 Budget to construct this duplication and alleviate the growing congestion problem.

Recommendation

Commit funding for the William Slim Drive duplication.

Full Gundaroo Drive Duplication

The NRMA welcomed the \$31 million allocated in the 2015-16 and 2016-17 Budgets to fund Stage 1 of the duplication from Gungahlin Drive to the Mirrabai Drive/Anthony Rolfe roundabout. However, growing congestion bottlenecks on this road, which are becoming more severe during peak periods, means that full duplication of Gundaroo Drive is critical. The NRMA urges the ACT Government to commence planning to duplicate the Gundaroo Drive section between the Barton Highway and Horse Park Drive.

Recommendation

Provide timeline and funding commitments for the full duplication of Gundaroo Drive.

Barton Highway Flyover

The Barton Highway is a strategically important arterial road linking Canberra with the surrounding regional centres of NSW. This presents a unique challenge in encouraging cross-border cooperation in the delivery of current and future infrastructure upgrades to this Highway. Both the ACT and NSW

Governments should seek the inclusion of this project on Infrastructure Australia's *Project Initiatives* list.

Over the period 2010 to 2014, there have been more than 500 crashes at the Barton Highway-Gundaroo Drive-William Slim Drive roundabout, making it by far the most common site for an accident in the ACT.

The NRMA notes the installation of traffic lights at the roundabout to improve traffic flows and minimise congestion. However, as the Gungahlin and Belconnen town centres continue to grow, this solution will not be adequate to accommodate the long term traffic flows of the region. The effectiveness of the traffic lights will therefore need to be monitored, and testing data from the traffic light installation should be used to inform the development plans of the Barton Highway flyover.

A long term solution is required to provide a grade separation of the intersection, eliminating congestion and improving road safety. The NRMA urges the ACT Government to fund planning of the Barton Highway Flyover in the 2017-18 Budget.

Recommendation

Begin planning works for the Barton Highway Flyover, using testing data from the traffic light installation to guide development.

Road Safety Initiatives

As alternative modes of transport become more common for commuters and motorists, the ACT Government will need to invest in appropriate road safety measures to ensure all road users remain safe, including cyclists. Approximately 21.5 per cent of the ACT population cycle weekly, with 81,800 trips undertaken¹. The ACT has the highest cycling rate in Australia, with 47 per cent of Canberrans indicating they had cycled on at least one occasion in the past year, compared to 37.4 per cent of Australians nationally².

The NRMA notes existing infrastructure investment in the segregated bike path network and encourages ongoing funding in this area. In particular, the NRMA commends the \$4.7 million commitment to build a dedicated bikeway connecting the Belconnen town centre with the University of Canberra, Radford College and the Canberra Institute of Technology's Bruce campus. This connectivity will be critical in enhancing community access to the Territory's education hub. The NRMA also notes the \$250,000 funding provided in December 2016 to fund a range of community road safety projects including training and awareness programs for cyclists, motorcycle riders and older drivers.

Recommendation

Continue to fund segregated bicycle pathways in and around Canberra.

Dedicated Road Maintenance Funding

It is essential that funds are made available to maintain the upkeep of the ACT's 3,300 kilometre road network. The expansion of the network throughout the ACT and the release of new land corridors for

¹ Australian Bicycle Council (2015) 2015 National Cycle Participation

² Canberra Times (2014) Canberra the Cycling Capital of Australia, study finds <http://www.canberratimes.com.au/act-news/canberra-the-cycling-capital-of-australia-study-finds-20140724-zwf8p.html>

urban development makes it imperative that a long term road maintenance plan is developed. The NRMA urges the ACT Government to provide necessary funding allocations for maintenance of the road network in all future budgets. Appropriate allocations based on life cycle of assets will ensure the long term sustainability of the ACT road network.

Recommendation

Establish a dedicated road maintenance fund to support future road infrastructure upgrades.

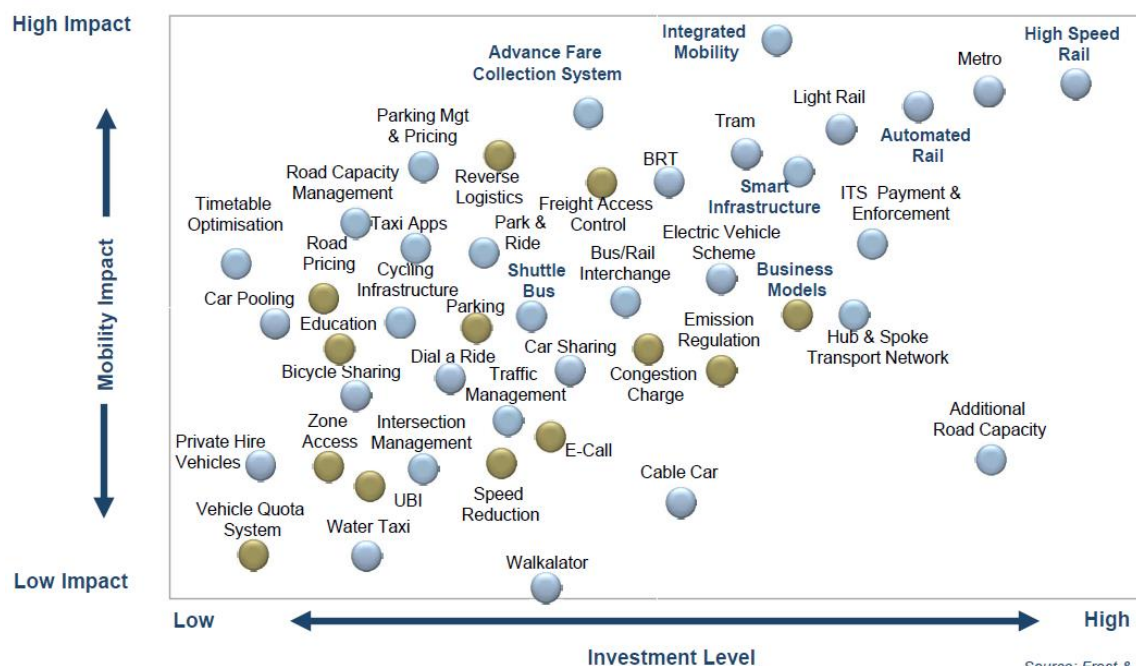
Access for all

Effective multi-modal transport networks are necessary to improve accessibility, reduce congestion, and increase the productivity and amenity of the regions they service. More importantly, it provides the community with greater choice in how they travel and commute, without the need to rely solely on car transportation. The ACT has the third highest passenger vehicle ownership rate per 1,000 population, with 83 per cent of residents in Canberra using their car to get to work³.

As urban growth intensifies, car movements will not be the most effective way to move around. An integrated transport solution is necessary to increase mobility and access within metropolitan and regional communities, while minimising government outlays. The NRMA acknowledges the ACT Government’s 2015 *Integrated Transport Network* vision pertaining to future passive and active transport, and supports its aim to improve safety and mobility while reducing traffic congestion.

As Figure 1 demonstrates, investment in cycling, park and ride facilities, car share, electric vehicles and light rail all have a moderate to high impact on mobility⁴. Where the Government seeks efficiencies and cost savings, partnerships with the private sector should be considered in providing current and future transport solutions.

Figure 1: Mobility impact by transport mode



Source: Frost & Sullivan.

³ Australian Bureau of Statistics (2014) 4102.0 - Australian Social Trends, July 2013, Car Nation

⁴ Frost & Sullivan, *Future of Integrated Transport Solutions*, https://ww2.frost.com/index.php/download_file/view/7596

Canberra Metro

The Canberra Metro will provide an alternative mode of transport that will improve the passenger experience and reduce congestion and transport times by up to 30 per cent. Light rail movements between the City and Gungahlin are forecast to grow to over 13,000 by 2021 and over 20,000 by 2031. Planning for Stage 2 of the Canberra Metro is now required to proactively cater for future urban growth and development along major urban corridors in the Capital, noting that the preferred route for Stage 2 has now been released. Planning should not take place in isolation from other transport developments including bus services and park and ride facilities.

Recommendation

Provide timetable and funding commitments for Stage 2 of Canberra Metro.

Improved Park and Ride Facilities

The NRMA is fully supportive of integrated transport solutions that encourage the use of several modes of transport, including public transport. The NRMA's own research has clearly identified that park and ride facilities at key transport interchanges are an important way to improve the attractiveness of public transport. The NRMA strongly encourages the Government to expand the Park and Ride Facilities program.

Recommendation

Expand the Park and Ride facilities program to support multi-modal transport use.

ACT Parking Strategy

The ACT Government's *Integrated Transport Network – Parking* strategy offers the opportunity to re-engineer travel behaviour to reduce congestion and encourage efficiencies in vehicle movements in densely populated areas. The NRMA supports innovative thinking on parking pricing to influence demand. However, associated improvements must also occur in public transport and park and ride services to support changed travel behaviour. The NRMA would encourage the ACT Government to continue to investigate best-practice demand management models for parking in the CBD and surrounds.

Recommendation

Continue to progress integrated transport solutions including the *Integrated Transport Network – Parking* strategy.

ACTION bus services

Bus services will continue to play an integral role in moving people around the Capital, with the NRMA noting an 11 per cent increase in total number of passengers carried on the ACT Internal Omnibus Network (ACTION) over the period 1999-00 to 2013-14. However, this increase was only at around half the rate of population growth, with declines also recorded in customer satisfaction between 2008-09 (87 per cent) and 2013-14 (65 per cent). Further, the cost recovery ratio for ACTION declined from 24 per cent to 17 per cent over the 12-year period to 2013-14⁵.

⁵ MRcagney (2015) *ACTION Expenditure Review: Final Public Report*, Chief Minister, Treasury and Economic Development Directorate, 25 March 2015

The NRMA notes the Government's recent attempts to improve the reliability, frequency and efficiency of ACTION services, and the expected investment in a new fleet over the next four years. The NRMA believes, however, that current benchmarking testing for ACTION should be made public, and where further efficiencies are sought, private sector involvement should be considered as a potential solution to the future operation of this service.

Private sector involvement in the delivery of transport services can improve service delivery and reduce costs for travellers while delivering economies of scale and cost savings to government. It is estimated that bus services cost approximately \$2.8 billion each year to operate, with around 20-25 per cent of this cost paid by passengers, and the remaining 75-80 per cent paid by government. Specifically, subsidies for the ACT Internal Omnibus Network (ACTION) have increased from \$60 million in 2005-06 to \$77 million in 2010-11⁶. It is estimated that the cost savings to government of transitioning public operation of bus services to the private sector can range between 20-55 per cent⁷.

Recommendation

Make publicly available the benchmarking results for ACTION services and investigate alternative models for service delivery.

Reimagining Mobility – autonomous vehicle trials

The ACT is uniquely placed to take advantage of the economic benefits associated with a smart transport future. Autonomous vehicles in partnership with smart road infrastructure are likely to create a new paradigm for personal mobility and will facilitate future economic growth. To leverage the economic opportunities associated with the development and testing of autonomous vehicles, the NRMA recommends that the ACT Government provide financial or other concessional incentives to vehicle manufacturers and leading IT companies to encourage the establishment of autonomous vehicle trials in the ACT.

Recommendation

Plan and incentivise autonomous vehicle trials in the ACT.

Infrastructure transport plan

The ACT Government must plan and fund transport solutions for an ageing population. Australia is expected to see exponential growth in the number of Australians aged 65 and over, rising from around 2.5 million in 2002 to 6.2 million by 2042. For Australians aged 85 and over, the growth is even more rapid, from around 300,000 in 2002 to 1.1 million by 2042⁸. An aging population will present a unique set of mobility challenges in terms of service design and delivery when providing accessible transport solutions to cater for the needs of the elderly.

Recommendation

Develop a transport and infrastructure plan that considers the needs of the elderly.

⁶ Tourism & Transport Forum (2016) *On the buses: The benefits of private sector involvement in the delivery of bus services*, February 2016

⁷ Tourism & Transport Forum (2016) *On the buses: The benefits of private sector involvement in the delivery of bus services*, February 2016

⁸ Australian Treasury (2017) *Australia's demographic challenges*

Sustainable communities

Molonglo Infrastructure Development

The NRMA understands that the development of Molonglo Valley, including major land releases over the next few years, will generate significant traffic flows which will impact the existing road network. To ensure effective connections and mitigate congestion in the area, there is a need to identify, plan and fund adequate road infrastructure and public transport options. The ACT Government must give due regard to the future transport capabilities of this region, linking the north-west sector of the ACT with West Belconnen.

Recommendation

Appropriately plan infrastructure and transportation links to Molonglo Valley.

VisitCanberra

Travel between Canberra and the surrounding regions for business and leisure offers the Territory an opportunity to capitalise on the economic benefits of tourism. The tourism industry employs 16,400 people and contributes \$2.0 billion to Gross Territory Product (GTP)⁹. International services to Canberra Airport offer further opportunities to capitalise on growing international visitor markets, particularly from Asia.

Encouraging visitors to stay longer, spend more and disperse throughout the region is necessary for economic growth. For the Year Ending September 2016, there were 2.35 domestic overnight visitors to the Territory, an increase of 10.5 per cent. However, these visitors stayed fewer nights and spent less compared to the same time last year¹⁰.

VisitCanberra, the Territory's tourism marketing agency, has a vital role in encouraging increased visitation, spend and dispersal in and around the Capital. VisitCanberra requires certainty of funding to develop campaigns and major events that continue to attract leisure visitors to the Territory. It also provides the private sector with confidence to invest in products and services that support the visitor economy.

Recommendation

Maintain funding commitments for VisitCanberra in real terms in 2017-18 and over the forward estimates.

⁹ VisitCanberra (2017) Tourism in the ACT, Year Ending September 2016

¹⁰ VisitCanberra (2017) Tourism in the ACT, Year Ending September 2016

