



2018-19 Budget Submission

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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 one of the largest tourism and travel companies in Australia, representing over 2.6 million Australians principally from NSW and the ACT. The NRMA 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 and easier, provide access to affordable and efficient transport options, and ensure communities remain connected to business and employment opportunities. The NRMA is passionate about facilitating tourism and travel across the Australia, recognising the vital role travel plays in how Australians connect and recharge, and discover the country.

By working together with all levels of government to deliver integrated tourism and travel options we can give the community a real choice about how they get around. The NRMA believes that integrated transport networks, including efficient roads and cycleways, high-quality public transport and improved visitor facilities, 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 among the largest member organisations in Australia with 2.6 million Members across NSW and the ACT. As we approach our centenary in 2020, we reflect on a proud history of keeping our Members moving and determine where we can deliver the greatest value to our Members and the broader community for the next 100 years.

At the NRMA, we are no longer just a roads and motorists organisation, but represent one of the largest travel, transport and tourism companies in the nation. Our interests stretch far beyond roadside assistance and car servicing to include Thrifty Car Rentals, Travelodge, NRMA Holiday Parks and share platforms Divvy and Camplify that address mobility and travel needs within the community.

We recognise our Members are not only motorists; they are public transport users, cyclists, and visitors that travel locally and abroad for work, education, healthcare and leisure.

We are focused on ensuring all forms of mobility are adequately planned for and funded to deliver peace of mind, value for money and allow our Members to discover their destination. By working together with all levels of government to improve not only road infrastructure, public transport, and visitor infrastructure, we give the community a real choice about how they move around and experience travel.

The NRMA recognises that flat household incomes and rising cost of living are placing increasing pressure on Australian households. Transport costs (including fuel) represent one seventh of total average family income, while some households have experienced at least 50 per cent in increase in electricity and gas costs. Recognising the cost of motoring represents a substantial proportion of the household budget, the NRMA seeks to ensure the community has access to affordable, reliable and efficient transport solutions to address mobility issues.

The Government has already made substantial investment in game-changing road and transport infrastructure projects including WestConnex, NorthConnex, Western Sydney Infrastructure Plan (including Local Roads Package), Great Western Highway Road Safety Upgrades, freight rail upgrades between Sydney and Newcastle, and the duplication of the Pacific Highway.

Ongoing improvements to a number of regional road freight corridors including the New England, Princes, Mitchell and Newell Highways, increases in Roads to Recovery, Black Spot, Heavy Vehicle Safety and Productivity and Bridge Renewal programmes will help to improve mobility of our Members in metropolitan and regional communities.

There are a number of future projects including light rail extensions, the Western Harbour Tunnel/Beaches Link, and the planning for the F6 extension that require necessary Government support to accommodate population growth and facilitate economic prosperity in local communities. The Government must also plan for growth particularly in Western Sydney corridors in the wake of Western Sydney Airport and projected population growth in the region.

In planning for the future, the Australian Government needs to investigate opportunities to instigate real change in mobility, transport and infrastructure design through smart technology. Technology should be at the forefront of solutions implemented to keep people safe on our roads, improve commuter journeys, and reduce congestion and emissions as we move to a fully autonomous and electric future. The transition won't be easy, but Government must have the courage to work with industry and invest and trial emerging solutions. Funding grants and programs will be critical to allow research and innovation to facilitate future opportunities.

As the NRMA continues to evolve in the delivery of travel and tourism experiences nationwide, the organisation looks forward to working with Government to identify the next generation of step changes that will keep the community safe while travelling, increase mobility, open the community up to greater opportunities, and allow Australians to discover this great country.

We were born to keep you moving

In framing our submission to the 2018-19 Australian Budget, the NRMA is seeking to promote programs, initiatives and key infrastructure projects that align with the values of our organisation. As our organisation grows and evolves, so too do our priorities and focus. We have 2.6 million Members, but 5 million customers across our roadside assistance, car rental, accommodation and travel businesses. Peace of mind, value for money, journeys of discovery and community inclusion have all been identified as values important to our Members.

Peace of Mind

At the NRMA, peace of mind is about feeling safe during your journey and at your destination. The NRMA has provided peace of mind for almost a century; providing reliable and trusted assistance to motorists on the road and before they head on their journey.

Members of the community deserve to be able to use our roads, public transport networks, cycle lanes and footpaths without limitations or compromises to personal safety or security. The NRMA believes that governments, transport operators and individuals have an obligation to prioritise safety so that the whole community has peace of mind as they go about their day-to-day activities in getting from point A to point B.

We need to invest in road and public transport infrastructure, protect vulnerable road users, as well as encourage safer driving and the purchase of safer vehicles. There is a need to improve the amenity and reliability of public transport services and interchanges to mitigate safety concerns that prevent people from utilising these services, particularly late at night or in remote areas.

NRMA supports the National Road Safety Strategy (NRSS) 2011-2020 in reducing the annual numbers of both deaths and serious injuries on Australian roads by at least 30 per cent. Despite ongoing road improvements, safer vehicles, and a range of successful behavioural programs targeting drink driving, seatbelt usage and speeding, road crashes still cause some 1,250 deaths and 32,000 hospitalised injuries each year¹. Research underpinning the Strategy indicates that 50 per cent of the reduction in road fatalities would come from safer roads.

The next major tool to prevent and reduce loss of life is likely to be driven by technology and eventually automated vehicles, as was seen with seatbelts and random breath testing. Innovative technology solutions must be explored further to deliver the next step-change required to reduce casualty incidents involving young drivers, drivers distracted by smart devices, drugs and alcohol, and major accidents on country roads as we head to an automated future.

While we move towards an automated future, however, continuing investment in infrastructure upgrades to the national highway, motorway and local road networks will improve the safety and useability of these roads. Increases in funding for local government to address maintenance shortfalls, as well as reinvestment in the Pinch Points and Clearways programs are key initiatives to keep the community safe. The F6 extension and Moorebank Intermodal Terminal will address future infrastructure needs as our urban growth centres continue to grow.

¹ Australian Government Department of Infrastructure and Regional Development Roads deaths Australia October 2017,p.1 and Australian Automobile Association December 2016, Benchmarking the Performance of the National Road Safety Strategy p.3

Value for Money

While one of the most desirable places to live in the world, the cost of living in Australia is substantial. This is no truer than in New South Wales and the other east coast states.

The average Australian struggles with the cost of living including rent, utilities, motoring and transport. Transport alone currently represents 14.1 per cent of total household incomes and the car is the second most expensive purchase after the family home.

There is a need to ensure all modes of transport, whether they be the car, bus, rail, ferry are affordable and equitable so members of the community remain connected to employment opportunities, education, health care and holiday destinations. The inequity of regional transport services must be addressed as part of this equation.

The Australian Government should constantly strive to make transport and accessibility as affordable and efficient as possible. Whether targeting congestion, encouraging asset sharing or looking at new transport delivery methods, desirable mobility outcomes can be achieved through appropriate planning, investment and innovation.

Greater consideration must also be given to the role of road user charging in creating greater equity and transparency across the road network given declining allocations of fuel excise revenue to infrastructure funding.

Further, the NRMA believes that all Australians should have access to affordable holiday options, providing an opportunity to recharge and reconnect with family. This features core in our recent investment in holiday parks across the nation. There is a need to ensure that prime crown land sites remain available for use by all members of the community, including those looking to holiday on a budget.

Discovery

There is inherent value in connecting with family and discovering different destinations through travel. Research indicates a holiday reduces stress and anxiety while boosting the mental and physical health of the entire family. Families who holiday together undergo shared experience, communication and togetherness, escape and relaxation and experiential learning, all which contribute positively to well-being and to relationships².

The NRMA has long assisted Members to discover the best holiday destinations in NSW and the ACT and ensure they arrive safely at their destination. The NRMA provides roadside assistance to 270,000 travellers each year, facilitates 450,000 trips through its Thrifty Car Rental service, and is now the second largest operator of holiday parks across Australia.

The NRMA wants Australians to fall in love with Australia, recognising that approximately 85 per cent of domestic overnight trips are completed by car. Facilitating tourism in regional Australia is also a way of diversifying regional communities and encouraging employment.

² https://www.huffingtonpost.com/jill-l-ferguson/health-benefits-of-taking-a-vacation_b_9384466.html

Contrary to the popular view, regional Australia is not uniformly in decline. Many regional communities, particularly where adjacent to a metropolitan centre, such as Queanbeyan and Tweed Heads, or on the coastal strip, such as the Northern Rivers and Central Coast, are experiencing significant growth, particularly from a travel perspective³.

In order to ensure tourism continues to grow, the sector must be appropriately supported through tourism marketing funding and industry partnerships to deliver the nation's Tourism 2020 targets. By its nature, small enterprises with little capability for cross-sector collaboration are heavily represented in the sector. The coordinating capability of large participants or government is essential to support growth, particularly in regional areas where the market is currently fragmented.

Community

For the NRMA, community is about simplified movement and connectivity for individuals and groups in both urban and rural environments. The right mix of new and improved motorways, rail infrastructure and parking facilities, aided with technological initiatives such as parking share and vehicle autonomy, will support individual freedom and improve fair and equitable mobility options.

Access to transport is vital to ensure people remain connected to economic and education opportunities as well as vital health and social services. Without access to transport, communities are denied the opportunity to participate fully in society and therefore are likely to be marginalised.

NRMA welcomed the new \$472 million Regional Growth Fund announced by the Australian Government in the 2017-18 Budget to support transformational infrastructure and investments. This funding will boost the connectivity of regional communities and is vital to ensuring access to both economic opportunities as well as social services and education.

Many of our remote communities and regional hubs lack integrated transport systems. Despite recent investment in the regions, poor road infrastructure and substandard public transport options remain obstacles to free movement and accessibility.

Despite the record investment in public transport infrastructure, there is still a need to provide further investment to meet current and future challenges associated with urban growth. This must include evaluating current forms of public transport and identifying ways to better operate, deliver enhancements, and connect to the broader network.

Planning for growth and changing community needs will be one of our greatest transport challenges, particularly in light of the trends towards greater individualisation of services and also towards the sharing economy.

³ Regional Australia Institute (2017) *NRMA Discussion Paper – Community concerns across NSW August 2016*.

Addressing cost of living pressures

The rising cost of living is a considerable concern for Australians. Household incomes remain flat and are expected to remain flat over the next 10 years. Over the past decade average weekly earnings for Australian income earners have risen 37 per cent while wage price inflation has risen 36 per cent according to Australian Bureau Statistics. Economic forecasters are expecting this trend to continue.

This means any increase in the cost of living including utilities and transport costs pinches the back pocket, impacting the family budget and disposable incomes.

Increased cost of living has a roll on effect to quality of life as it reduces discretionary spend on items such as holidays and travel which are important for health and wellbeing.

Rising cost of utilities

The rising cost of electricity across Australia and NSW is a rising concern for families. Electricity prices have risen 55.9 per cent over the past seven years in Australia, 51.5 per cent in Sydney and 22.4 per cent in Canberra⁴. Gas prices reflect similar cost increases in the order of 50.2 per cent across Australia, 37.7 per cent in Sydney and 36 per cent in Canberra. Approximately three quarters of energy complaints in NSW are about electricity and gas, with rising numbers of complaints around affordability, credit and customer service when assistance is requested⁵.

Weekly transport costs

Transport is the single largest weekly cost for many Australians. The price of fuel and the cost of running a car are predictably at the top of the list of issues that hits the motorists' hip pocket.

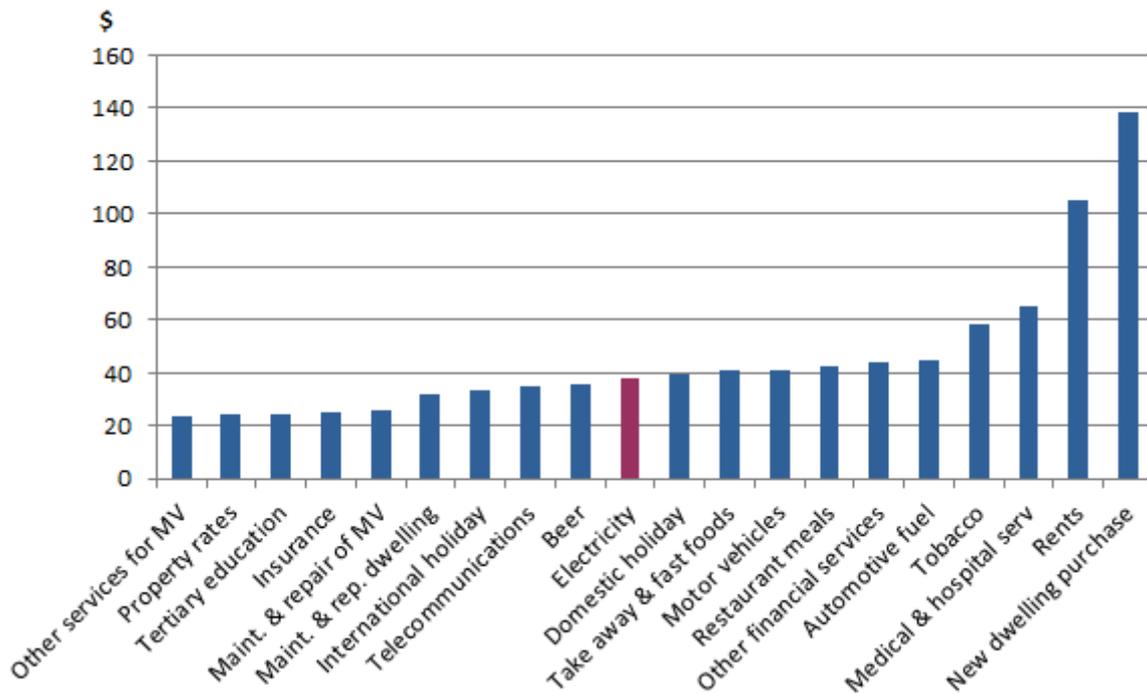
The motor car is currently the second most expensive item that Australians purchase after the family home. According to the latest AAA Transport Affordability Index September 2017, the average Australian metropolitan household is now paying \$17,485 per annum in transport costs. This represents 14.1 per cent of household income. For Canberra and Sydney the average household is now spending \$16,440 and \$22,350 respectively per annum on transport.

Analysis undertaken by the Australian Bureau of Statistics for the March 2017 Quarter inflation numbers shows that 4 out of the top 20 expenditure classes (see Table 1) are transport related costs, that is, automotive fuel and motor vehicle expenditure.

⁴ ABS Consumer Price Index 6401.0 various publications.

⁵ <http://www.abc.net.au/news/2017-10-11/nsw-energy-complaints-trending-upwards-report-shows/9036484>

Table 1: Top 20 CPI Expenditure Classes Ranked By Average Weekly Household Expenditure, 2017



Source ABS Catalogue 6401.0 March Quarter 2017

The cost of automotive fuel with particular emphasis on price fluctuations and large price discrepancies in major urban centres and regional towns instil frustration and confusion to motorists. As Table 1 illustrates automotive fuel is the fifth ranked cost item by average weekly household expenditure. Along with the cost of fuel and running a motor vehicle the impact of longer journey times is delivering lost productive time to all transport users.

Rising congestion costs

A recent study into Sydney's transport infrastructure estimates the current economic cost of traffic congestion to be in excess of \$6.9 billion annually and growing. The time and cost spent travelling to work has risen substantially over the past two decades. The typical Sydney worker now spends over six weeks commuting a year. With the average Sydney family paying over \$22,000 for transport, it is imperative that there is greater investment in transport, including both road and public transport to reduce cost pressures on all transport users. The cost of congestion is expected to rise to \$13 billion by 2031⁶, if current population growth continues, and appropriate infrastructure is not built to cater for this growth.

Further, in Canberra, the cost of congestion expected to double to \$400 million by 2031.

⁶ Australian Government Department of Infrastructure and Regional Development: Bureau of Infrastructure, Transport and Regional Economics, Traffic and congestion cost trends for Australian Information Sheet No 74 p.26

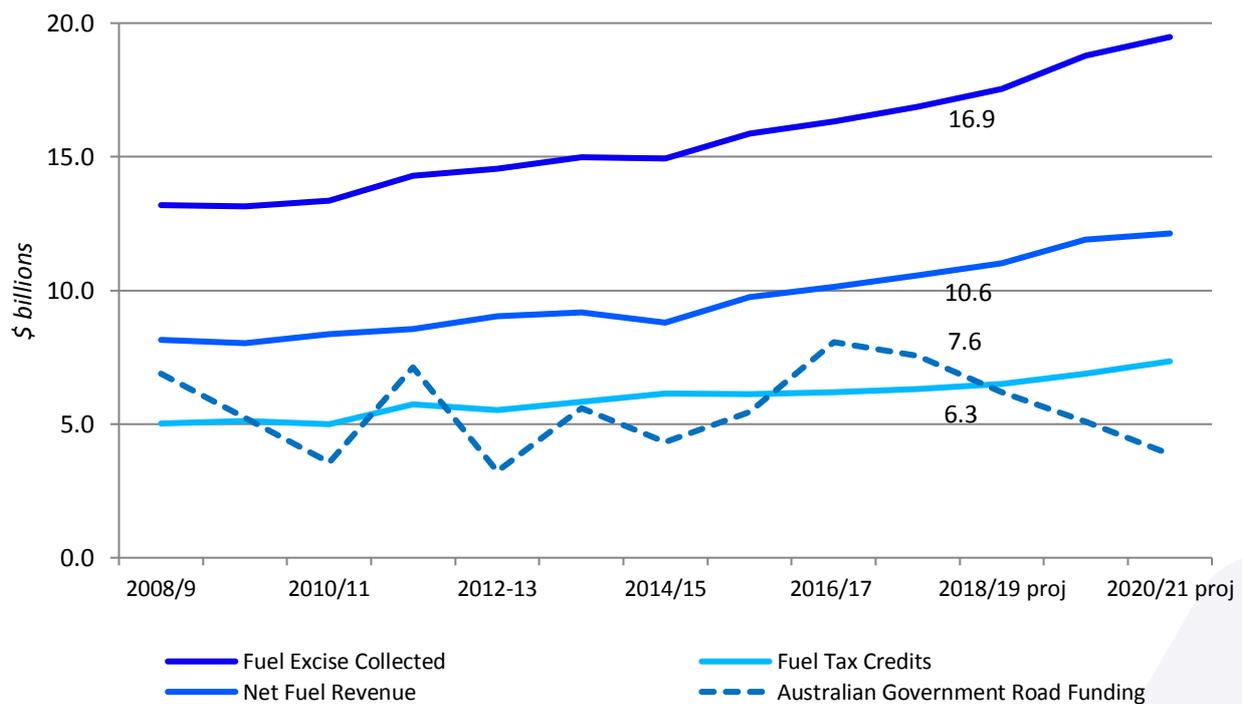
Road user charging

The need for a discussion on the cost of paying for road usage is becoming increasingly important as existing fuel taxes are projected to deliver smaller revenue streams to the government to fund roads and transport. Clearly the current model is not sustainable to deliver revenue to support our future transport needs.

Further, current motor vehicle charges and fees are not equitable across the system. The need for a national agreement on how we fund our future transport projects is essential to deliver real efficiency gains for the Australian economy and its communities.

Table 2 clearly illustrates the rising revenue from fuel excise collection against road funding over the period 2008-09 to 2020-21.

Table 2: Australian Government fuel excise collected, fuel tax credits, net fuel revenue and road funding from 2008-09 to 2021-21 \$ billion



Source various Australian Government Budget Papers 2008 to 2017

2018-19 Budget recommendations

The NRMA's 2018-19 Budget Submission is seeking to promote programs, initiatives and key infrastructure projects that align with the strategic priorities and values of our organisation, balancing social outcomes, Member value and business sustainability.

This submission provides the Government with recommendations that aim to address the infrastructure and mobility challenges of the future. The NRMA urges the Government to consider these recommendations carefully as they offer the greatest opportunity to reduce congestion, improve connectivity and social engagement and save lives on our roads. Ultimately these projects will enhance the liveability of our communities.

2018-19 Budget Priorities

Peace of mind

Adequately fund initiatives identified in the National Road Safety Strategy 2011-2020 to reduce the road toll.

Adequately support sustainable road safety programs through the current Black Spot, Financial Assistance Grants (Tied Road Grants) and Roads to Recovery Programs.

The COAG Transport and Infrastructure Council should investigate the harmonisation of road rules pertaining to safe passing distances and speeds when either roadside assistance or emergency responders attend a crash or breakdown.

Establish the National Drug-Impaired Driving Workshop group.

The Australian Government should put in place a financed and funded plan to address mobile black spots including future 5G to support the connected and automated vehicle future, which will benefit communities, the national economy and individual and business productivity.

To promote Australia as the destination of choice for connected and automated trials, the Australian Government should actively promote consumer trials in specific urban and regional locations (sandboxing and road network testing) by establishing a connected and automated trial fund.

Allocate appropriate resources to fast-track amendments to road rules to support connected and automated vehicles.

The Australian Government should endorse the recommendations of the Australian Competition and Consumer Commission's New Car Retailing Industry Market Study.

The Australian Government should endorse the recommendations of the Productivity Commission's Final report on Data Availability and Use.

Establish a \$150 million Smart Infrastructure Fund to encourage local councils to adopt new and innovative solutions to tackle key road and transport problems.

Legislate for a percentage share of fuel excise levy collected from motorists be returned to local councils to fund road infrastructure backlog and maintenance.

Support the use of PPPs, long-term stewardship contracts and other innovative funding solutions to fast-track and clear the infrastructure backlog.

Review the effectiveness of the current federal road funding programs for local and regional councils.

Task Infrastructure Australia to develop unsolicited proposal guidelines for local government.

Joint development of an action plan (Australian/ NSW Governments) to commit \$500 million to improve road safety at high risk sections of the Princes Highway south of Jervis Bay Road.

Urgently provide a funding commitment to add new overtaking lanes on the Great Western Highway and the Mitchell Highway.

Fund and construct road safety improvements on the Newell Highway, including flood mitigation works.

Accelerate funding commitment for the Inland Rail so the project can be delivered as soon as possible.

Support planning for Inland Rail route through freight corridor preservation (e.g. direct links to the Port of Brisbane for the final section of the route) and community consultation, including an investigation of passenger rail links to regional airports and intermodal hubs at regional centres on the route.

Value for money

Establish a fund to support the rollout of electric vehicle charging infrastructure to regional Australia.

Establish an inter-governmental working group to co-ordinate the transition to electric road transport. The scope of the working group should include the examination of the role electric vehicles could play in supporting the efficiency of the national electricity grid, and the development of nationally consistent electric vehicle signage standards to support awareness and the easy identification of electric vehicle service points.

To support the transition to an electric vehicle future, research and development in electric vehicle batteries and other technologies should be encouraged through the provision of grant funding.

The Australian Government should provide a short-term exemption to Fringe Benefits Tax and abolish the Luxury Car Tax for electric vehicles to encourage mass adoption.

Discovery

Boost funding to Tourism Australia to \$200 million to promote Australia as the preferred holiday destination among international visitors.

Conduct an evaluation of the Tourism 2020 targets and set the next set of targets and strategies to support the growth of the sector, particularly in regional Australia.

Identify high-potential regional locations that would benefit from participating in the City Deals scheme.

Australian Government to work with NSW and ACT governments to develop the concept of Sydney Canberra faster rail as an initial step to developing economic development along the Southern Highlands corridor and the Capital region.

Allocate funds to support rail corridor preservation for the Western Sydney Airport Rail Link and provide a timeframe or criteria for its construction.

Australian Government provide a funding plan for regional airports to address current infrastructure backlog, maintenance shortfalls, and future cost imposts.

Community

Progress construction of Western Sydney Growth Roads and adequately plan future road projects to support development of Western Sydney Airport.

To support and complement the infrastructure plan for Western Sydney Airport and the North West and South West growth centres, planning for a connecting north-south motorway corridor through Western Sydney should be prioritised.

Provide funding to Lake Macquarie City Council for the Lake Macquarie Transport Interchange.

Commit funds to duplicate the remaining 33 kilometres of single lane carriageway on the Barton Highway.

Commit funds to commence construction of the M1 Pacific Motorway to Raymond Terrace upgrade.

Clarify funding commitment to Parramatta Light Rail.

Allocate funds to develop business cases for the listed light rail extensions.

Allocate funds to the Sydney Metro West project and fast-track a construction timeline for delivery.

Planning and project development work for Stage 1 F6 extension should be expanded to Stage 2 and 3 to alleviate congestion and improve amenity through Southern Sydney and the Illawarra.

Commit grant funding to Beaches Link.

Work with the NSW Government to progress investment in key road projects to support the development and future operations of the Moorebank Intermodal Terminal.

Set a timetable to accelerate transfer of Heavy Vehicle Regulatory powers to the National Heavy Vehicle Regulator.

2018-19 Budget priorities

Peace of Mind

National Road Safety Strategy

NRMA supports the National Road Safety Strategy (NRSS) 2011-2020 to reduce the annual numbers of both deaths and serious injuries on Australian roads by at least 30 per cent. However, in the 12 months to September 2017 there have been 1,237 lives lost on our roads. While this is a 2.7 per cent decrease, it represents 100 more road deaths in the year ending September 2017 than would be required for the overall 2020 NRSS target to be achieved.⁷ We also note that the previous target in the 2001-2010 strategy was not met.

Despite ongoing road improvements, safer vehicles, and a range of successful behavioural programs targeting drink driving, seatbelt usage and speeding, road crashes still result in the loss of lives of many Australians. Research underpinning the Strategy indicates that 50 per cent of the reduction in road fatalities would come from safer roads. With the annual economic cost of road crashes in Australia estimated at \$27 billion per annum it is essential that both Australian and State governments maintain funding levels to provide for safer roads. Permanent funding will ensure that the social costs of crashes are significantly reduced in the longer term.

NRMA believes initiatives identified in the Strategy should be adequately funded to reduce the road toll. Further, the NRMA fully supports funding programs that deliver safer roads - the remedies are well known, such as installing crash barriers, overtaking lanes, better signs and line markings.

Recommendation

Adequately fund initiatives identified in the National Road Safety Strategy 2011-2020 to reduce the road toll

Adequately support sustainable road safety programs through the current Black Spot, Financial Assistance Grants (Tied Road Grants) and Roads to Recovery Programs.

Slow Down, Move Over

There are a myriad of road rules that differ across the various states and territories. The NRMA recognises the role and work of the COAG Transport and Infrastructure Council in creating collaboration and harmonisation across transport and road safety issues.

The NRMA believes there is a need for the Council to consider a harmonised approach to the “slow down, move over” road rule to promote widespread awareness and behavioural change around breakdown safety. This includes minimum passing distances and speed limits in the event roadside assistance and incident responders are required to attend the scene of crash or breakdown.

It must be a national priority to keep these workers safe given they work in some of the most hazardous working conditions on a daily basis.

⁷ Australian Automobile Association. (2017). Benchmarking the Performance of the National Road Safety Strategy. September 2017.

A “slow down, move over” road rule is in place across most of the USA and Canada, requiring motorists to slow to a nominal speed or vacate the lane closest to the breakdown or incident. In 2014, the South Australian Government introduced a rule requiring motorists to slow to 25 km/h when passing emergency services vehicles attending an incident.

More recently, the Victorian Government introduced a rule requiring all motorists to slow to 40km/h when passing stationary or slow-moving emergency vehicles displaying lights or sirens. The NRMA believes that laws should be harmonised across Australia to protect incident responders.

Recommendation

The COAG Transport and Infrastructure Council should investigate the harmonisation of road rules pertaining to safe passing distances and speeds when either roadside assistance or emergency responders attend a crash or breakdown.

Drug Driving

Globally, illicit drug use is estimated to be responsible for over 39,600 road traffic fatalities.⁸ Closer to home, drug driving accounts for at least 16 percent of the NSW road toll. The NRMA commends the Australian Government for the release of the national scoping study into roadside drug testing in Australia.

The NRMA wants drug driving across Australia to become socially unacceptable just like drink driving. The establishment of a National Drug-Impaired Driving Workshop group to develop a national focus and a shared approach to the enforcement of drug driving is a step in the right direction.

Recommendation

Establish the National Drug-Impaired Driving Workshop group.

Wireless communications improvements

With the looming transition to electric, connected and automated vehicles, it is essential that all areas are serviced by 5G mobile networks. 5G is regarded as an enabler for fully connected and automated vehicles and will be key to providing connectivity services for vehicle-to-vehicle and vehicle-to-infrastructure communications.

At present however, there is an even more pressing need to address mobile blackspots on major regional and remote arterial roads so motorists have access to emergency services in the case of an accident or incident. Reaching motorists during that all important ‘golden hour’ i.e. the first hour after a major incident, may have an impact on the severity and survival rates of individuals involved in a crash.

⁸ World Health Organisation. (2016). *Global health estimates*. Geneva.

The NRMA recognises the considerable work already being undertaken by both the Australian and state and territory governments to address mobile black spots, including investment in satellite phones. The NRMA would contend further investment in technology and awareness campaigns for motorists on the use and availability of these phones is paramount, particularly in regional Australia. The Australian Government should now be in discussions with telecommunication providers to assess the requirements necessary to service unsupported areas across Australia, as well as an autonomous future.

The next generation of intelligent transport systems will combine both types of communications so that vehicles can operate autonomously and be controlled and monitored from cloud-hosted software.⁹

In readiness for the transition, Australian communication networks will require upgrading. It is important that all communities, including in rural and regional areas, are able to access the many benefits that connected and automated vehicles will deliver.

Investment in this type of upgrade should be considered alongside the wider economic and social benefits that are derived once fully implemented.

Recommendation

The Australian Government should put in place a financed and funded plan to address mobile black spots including future 5G to support the connected and automated vehicle future, which will benefit communities, the national economy and individual and business productivity.

Connected and Automated Vehicle Trials

The growth of connected and automated vehicles will usher in enormous safety benefits that are likely to spread broadly throughout the community. Greatly improved safety, better transport interconnectivity, reduced emissions and congestion improvements are just some of the promised benefits of a connected and automated vehicle future.

With fully automated vehicles likely on our roads from 2025, the Australian Government should actively promote Australia as the destination of choice for connected and automated vehicle trials. Original equipment manufacturers and shuttle operators should be invited to run citizen focused trials similar to the Volvo Drive Me project to encourage understanding and acceptance of these technologies among the community.

Broad acceptance of these technologies will only occur if consumers deem them to be safe and relevant to their everyday needs. This has been realised by companies such as Volvo, who are currently trialling connected and automated vehicles on commuter routes using volunteer members of the public.

⁹ <https://www.ericsson.com/thinkingahead/the-networked-society-blog/2016/08/26/5g-powering-autonomous-vehicles-automotive-industry-case-study/>

The Australian Government should encourage trials to be conducted in specifically defined areas (sandboxing), as well as across the broader road network (road network testing), to demonstrate the benefits of automation, and to increase collaboration and knowledge.

As an example, the NRMA is very supportive of the EOI that University of Newcastle has lodged with the NSW Smart Innovation Centre to establish the Agile Urban Transport Open Network to make it easy for Newcastle to be a test bed for automated vehicles.

Connected and automated vehicle trials should give particular focus to citizens that presently have limited mobility options such as the elderly, people with disability, and those living in remote areas.

To promote and encourage trials, a connected and automated trial fund should be established. With Australia possessing less than 1.5 per cent of the global car market, significant trials will only occur if incentives are put in place to attract manufacturers and technology companies.

New Zealand, with its more welcoming trialling environment, is currently conducting more than 20 automated vehicle trials. These trials provide important local learnings and promote the benefits of automated technology to the community.

Recommendation

To promote Australia as the destination of choice for connected and automated trials, the Australian Government should actively promote consumer trials in specific urban and regional locations (sandboxing and road network testing) by establishing a connected and automated trial fund

Connected and Automated Vehicle Regulations

The regulatory environment that manufacturers and users of connected and automated vehicles must navigate is complex. Some parts of current legislation does not provide scope to consider connected and automated vehicles on roads, and all current road rules assume that a human being is in control of a vehicle.

Current road rules should be amended to:

- Separate the concept of controlling the motion of a vehicle from the concept of ensuring a vehicle complies with the road rules.
- Permit an automated driving system to ‘watch the road’ and control the motion of a vehicle (i.e. control steering, acceleration and braking).
- Allow the police and enforcement agencies to issue traffic infringement notices to a registered vehicle operator when a vehicle is being driven by an automated driving system.

With Audi launching a Level 3 automated driving system in 2018, the NRMA believes the time has come to recognise that a vehicle can be “driven” by an automated driving system. To achieve this outcome, the concept of the “vehicle operator” must be introduced into legislation.

The vehicle operator would be defined as the person (including a corporation) that “operates” a vehicle. A person would “operate” a vehicle if the person drives the vehicle, or causes an automated driving system to drive the vehicle.

The following Commonwealth legislation refers to the “driver” of a vehicle and should be amended to remove this outdated assumption:

- Australian Design Rules
- Australian Light Vehicle Standards Rules 2015
- Model Legislation – Transport of Dangerous Goods by Road or Rail Regulations 2007
- Heavy Vehicle National Law
- Heavy Vehicle (Vehicle Standards) National Regulation

As highly and fully automated vehicles appear on Australian roads in larger numbers, and as future transport options and technologies progress, other associated legislation may require amendment. Shared services, connected infrastructure, point-to-point transport and existing transport business models will likely affect the regulatory environment into the future. As technology progresses, it will become important for legislators to be agile and open to amending legislation when deemed necessary.

Recommendation

Allocate appropriate resources to fast-track amendments to road rules to support connected and automated vehicles.

Reducing the Cost of Motoring – Vehicle Data Access and Availability

The past decade has seen significant innovation in automotive technologies, and electronic control systems have been at the heart of this significant evolution. Electronic systems interact with the most fundamental elements of any modern vehicle, including the engine, powertrain, transmission, brakes, body and suspension. In turn, each interface between electronic systems and mechanical systems results in specific data points describing the status of a vehicle at any point in time.

These data points are particularly valuable in the service and repair after-market. In the past, mechanics have relied on a problem description and subsequently used their experience and expertise to perform diagnosis. Today, electronic systems provide real time diagnostic information explaining precisely what is going on in a vehicle at a given point in time.

While vehicle data has proven to be an extremely valuable tool, to be of any use, a service provider, technician or mechanic must have the ability to read and interpret the data generated.

The current exclusivity of vehicle communication channels and the proprietary nature of vehicle data potentially leads consumers to become captive to after-market services and repairs provided by OEMs and their affiliates.

The NRMA has long advocated for the removal of any current or future restrictions on access to vehicle data in Australia. This policy is based on three guiding principles:

- *Consumer control and protection of data* – Consumers need to be fully informed about what data is being transmitted and for what purpose. Owners should retain ownership of the data their vehicle produces, and control over how it is used for as long as they own the vehicle.
- *Free choice* – Owners should have the right to choose their preferred service provider to meet their needs. Service providers should be able to be changed throughout the lifetime of the vehicle without any additional administrative burden.
- *Fair competition* – A variety of service providers should have the right to develop products and functionalities to ensure fair market competition. An owner's preferred provider should have access to vehicle data and be able to offer associated products and functionalities.

The introduction of a mandatory scheme for manufacturers to share technical information with independent providers is necessary to ensure free choice and fair competition.

A mandatory scheme that affords independent service providers and repairers with access to the same technical information which OEMs make available to their affiliates will allow vehicle owners to decide where their vehicle is serviced or repaired. Owners should not be bound to OEMs or their affiliates when it comes to the automotive after-market industry.

The NRMA acknowledges the work of the ACCC in this regard and supports the premise that well-informed consumers and competitive new car retailing markets and supply chains will deliver considerable benefits to society. The NRMA has given its in-principle support to Draft Recommendations 4.1 and 5.1 of the ACCC's *New Car Retailing Industry Market Study – Draft Report*.

However, the following points are considered imperative to operational matters pertaining to a mandatory data access scheme:

- *Real time access* – The provision of digital files and codes to independent service providers and repairers must be presented in a clear and understandable fashion, and be able to be accessed without the need for specialised (non-generic) tools.
- *Coverage* – Obligations on sharing technical information should apply to all current and future vehicle providers with products or services for sale or hire in the Australian market.
- *Definitions* – Technical and security-related information should include, but not be limited to, training materials, technical bulletins, logbook service data, firmware and vehicle systems updates, wireless transmissions, keys and necessary security data.

Telematics

- The NRMA supports consumers' rights to access their data and control its availability and use to third parties.
- The NRMA supports the establishment of an industry-wide agreement for the sharing of vehicle telematics data.

- The NRMA supports consumer control and protection of data, free choice and fair competition.

The NRMA supports the establishment of a comprehensive right for consumers to access digitally held data about themselves, including to direct data custodians to copy that data to a nominated third party. As such, the NRMA supports the recommendations of the Productivity Commission's *Final report on Data Availability and Use*. In addition the NRMA has given its in-principle support to Draft Recommendation 7.1 of the ACCC's *New Car Retailing Industry Market Study – Draft Report*.

Recommendation

The Australian Government should endorse the recommendations of the Australian Competition and Consumer Commission's *New Car Retailing Industry Market Study*.

The Australian Government should endorse the recommendations of the Productivity Commission's *Final report on Data Availability and Use*.

Smart Transport Technology

Technology is rapidly transforming every aspect of our daily lives. From the way we commute to the way we interact with each other, new and disruptive technologies have significantly altered our social and economic landscape, and have opened up endless opportunities for positive change across all sectors of the economy.

The NRMA recommends that the Australian Government establish a \$150 million Smart Infrastructure Fund to help local communities tackle key road and transport problems such as traffic congestion, parking, road safety or community transport by trialling and adopting new and innovative technological solutions. The Smart Infrastructure Fund must be contestable to all local councils and the criteria for funding should be determined by whether solutions embrace smart technologies to either reduce congestion, improve safety or enhance mobility.

Recommendation

Establish a \$150 million Smart Infrastructure Fund to encourage local councils to adopt new and innovative solutions to tackle key road and transport problems.

Road infrastructure upgrades and improvements

Poor quality infrastructure can dramatically affect the severity and outcome of crash incidents on our roads. Addressing the quality of local roads, identifying black spots and areas with high incidences of crashes requires immediate attention of Government. By addressing the quality of our road network, we can provide real peace of mind when travelling in NSW and the ACT.

Local road funding

Local roads represent 80 per cent of the road network in NSW. The NRMA's *Funding Local Roads* report revealed the infrastructure backlog deficit across NSW has risen 13.2 per cent from \$1.73 billion in 2014-15 to \$1.96 billion in 2015-16. For regional councils, the deficit has risen even higher, up 17.2 per cent from \$1.33 billion in 2014-15 to \$1.56 billion in 2015-16, with the Hunter and North Coast regions accounting for 40 per cent of the total regional backlog¹⁰.

In addition given the growing infrastructure deficit for local councils, and the Australian Government collecting more from fuel excise than it returns to the road network, the NRMA wants to see a wider commitment to secure adequate road funding for local roads. A permanent legislated solution, for example, 5 per cent of net fuel excise collected be returned to the local road network.

Innovative funding solutions must also be identified to clear the infrastructure backlog. This includes building and sharing engineering capacity across adjoining council areas to achieve greater economies of scale and clear the infrastructure backlog sooner.

Given the extended period that current road funding programs have been in operation, the NRMA would welcome a review of the effectiveness of these programs in addressing infrastructure backlogs, including eligibility criteria and processes for regional local councils to undertake to access funding.

Currently the structure of road grants tends to favour heavily populated local councils. Geographically larger and less populated regional centres are disadvantaged when attempting to attract sufficient funding to maintain their critical asset bases.

Recommendation

Legislate for a percentage share of fuel excise levy collected from motorists be returned to local councils to fund road infrastructure backlog and maintenance.

Support the use of PPPs, long-term stewardship contracts and other innovative funding solutions to fast-track and clear the infrastructure backlog.

Review the effectiveness of the current federal road funding programs for local and regional councils.

Task Infrastructure Australia to develop unsolicited proposal guidelines for local government.

¹⁰ NRMA (2017) *Funding local roads: Recommendations to clear the infrastructure backlog, ACT & NSW roads.*

Princes Highway (South of Jervis Bay Road)

While the NSW Government has invested in significant improvements to the Princes Highway, the Highway still requires significant upgrades, particularly south of Jervis Bay Road to the Victorian border. The NRMA's audit of the Princes Highway identified 16 sections of the highway that are considered high risk to motorists¹¹. It is further noted that over the period 2010-2015, 1240 casualty crashes and 34 fatalities occurred on this section of the highway. The economic cost of these crashes is estimated to be \$94 million per year¹².

Upgrades to the Princes Highway would improve economic, tourism, trade and commercial opportunities for the region. An improved highway would expand the market reach of existing local businesses and facilitate improved access to a greater variety of labour skills.

Recommendation

Joint development of an action plan (Australian/ NSW Governments) to commit \$500 million to improve road safety at high risk sections of the Princes Highway south of Jervis Bay Road.

Great Western Highway Safety Upgrades (Lithgow to Bathurst) and the Mitchell Highway

The NRMA has long advocated for the need to upgrade the Great Western Highway between Lithgow and Bathurst. These upgrades include additional overtaking lanes to address the impact of heavy vehicle traffic in and around Bathurst. The NRMA also calls on the Australian Government to consider adding new overtaking lanes between Bathurst and Dubbo on the Mitchell Highway.

Recommendation

Urgently provide a funding commitment to add new overtaking lanes on the Great Western Highway and the Mitchell Highway.

Newell Highway Safety Improvements

The Newell Highway is NSW's longest highway and is an important national freight route with large numbers of heavy vehicles using the highway on a daily basis. The NRMA has long advocated for safety improvements on the Newell Highway to reduce the number of fatalities on this important stretch of road.

¹¹ NRMA (2014) The Princes Highway Audit prepared by ARRB Group p. II

¹² NRMA (2017) The Cost of Crashes: An analysis of lives lost and injuries on NSW roads pp14-16.

The NRMA was pleased that during 2011-15, the Newell Highway recorded one of the largest declines in fatalities, with a 48.4 per cent decrease in the number of lives lost from 62 to 32. This reduced the cost to the community from \$463.21 million to \$239.08 million in 2011-15.¹³

However, the NRMA believes more improvements can be made. These include:

- Completing the 57 overtaking lane locations as identified in 2011.
- Constructing eight additional rest sites for heavy vehicles under the Heavy Vehicle Safety and Productivity Program to ensure that rest areas are provided every 100 kilometres.
- Constructing the West Wyalong, Parkes, Coonabarabran and Dubbo bypasses to eliminate heavy vehicle movements through these towns to improve road safety.

The 2016 flooding of the Newell Highway between West Wyalong and Forbes had a major economic impact on the area's towns and the agricultural sector, as well as the national freight task. The NRMA supports the recommendations of the Newell Highway Taskforce to review the Newell Highway Corridor Strategy to flood insure the Highway.

Recommendation

Fund and construct road safety improvements on the Newell Highway, including flood mitigation works.

Inland rail

Inland Rail is a once-in-a-generation project connecting regional Australia to domestic and international markets.

It will complete the 'spine' of the national freight network between Melbourne and Brisbane via regional Victoria, New South Wales and Queensland. It is the largest freight rail infrastructure project in Australia, with early works to start this year and an expected completion timeframe of 2024-2025.

The NRMA supports the delivery of interstate rail freight through regional NSW, unclogging congested roads in Sydney and the Pacific and Newell Highways.

The benefits are obvious:

1. Boost the Australian economy by at least \$16 billion over the next 50 years.
2. Create 16,000 new jobs at the peak of construction.
3. Improve connections within the national freight network.
4. Provide better access to and from regional markets.
5. Increase the capacity of the transport network.
6. Improve road safety.
7. Improve sustainability and amenity for the community.

¹³ NRMA. (2017). *The Cost of Crashes: An Analysis of lives lost and injuries on NSW Roads*.

Recommendation

Accelerate funding commitment for the Inland Rail so the project can be delivered as soon as possible.

Support planning for Inland Rail route through freight corridor preservation (e.g. direct links to the Port of Brisbane for the final section of the route) and community consultation, including an investigation of passenger rail links to regional airports and intermodal hubs at regional centres on the route.



Value for Money

Electric Vehicles

Manufacturers and technology companies are rapidly moving the automotive industry towards an electric and automated future. Governments overseas are supporting the transition by putting in place petrol and diesel bans aimed at achieving a zero emissions automobile future.

With Australian commercial vehicle manufacturing now ceased, we are fully reliant on importing vehicles for personal and commercial use. With such a significant emphasis on electrification worldwide, it's important that we plan and prepare for an expanded electric vehicle fleet.

Although electric vehicles are currently priced higher than conventional vehicles, several forces are changing this, including more efficient batteries being produced in greater quantities. Governments around the world are addressing this cost premium in the short term by providing consumers with incentives to purchase electric powered vehicle alternatives.

Without similar support in place in Australia, manufacturers have been hesitant to bring electric vehicles to our market, which has restricted adoption and the expansion of the electric vehicle fleet. To support electric vehicle uptake and remove a significant barrier to adoption, a fund to supplement the rollout of charging infrastructure should be established. The NRMA has already committed \$10 million to establish at least 40 fast-charging stations around NSW and the ACT to support greater visitor dispersal and address 'range anxiety' of current electric vehicle owners.

Consumers are unlikely to commit to the mass uptake of electric vehicles until they can be confident that access to adequate charging opportunities exist. In addition, an inter-governmental working group should be established to co-ordinate the transition to electric road transport.

Recommendation

Establish a fund to support the rollout of electric vehicle charging infrastructure to regional Australia.

Establish an inter-governmental working group to co-ordinate the transition to electric road transport. The scope of the working group should include the examination of the role electric vehicles could play in supporting the efficiency of the national electricity grid, and the development of nationally consistent electric vehicle signage standards to support awareness and the easy identification of electric vehicle service points.

Automotive Research and Development

With an innovative and entrepreneurial culture and one of the world's largest supplies of mineral resources required for battery production, Australia is well suited to developing industries that can support the global market for electric vehicles.

Globally, the number of electric vehicles sold each year is growing rapidly. Sales volumes exceeded 750,000 in 2016, representing a 40 per cent increase on the previous year. There are now more than two million electric vehicles on the road. BHP believes this figure could rise to 140 million by 2035.¹⁴

With Australian commercial vehicle manufacturing now ceased, the Australian Government should incentivise research and development in electric vehicle batteries and other associated technologies through the provision of grant funding.

From extraction through to delivery, Australia has the capabilities to establish electric vehicle battery supply chains. Leveraging the world's fourth largest reserves of lithium,¹⁵ Australia could attract investment and jobs in the manufacture of batteries and other components.

It's expected that the manufacture and sale of electric vehicle batteries will become a \$240 billion industry within two decades. By as early as 2020, the electric vehicle battery market alone could reach \$25 billion.¹⁶

Recommendation

To support the transition to an electric vehicle future, research and development in electric vehicle batteries and other technologies should be encouraged through the provision of grant funding.

Incentivising Electric Car Uptake

Most electric vehicle models currently available in Australia are largely priced for the prestige segment – some of the best-selling global electric cars are not being made available to Australian consumers.

International evidence suggests a strong correlation between cumulative electric vehicle sales and the number of vehicle models being offered. A greater number of models available across a range of market segments can increase consumer choice and sales.

While there are currently 16 electric vehicle models available in Australia, 13 are priced at more than \$60,000.¹⁷

The lack of support for electric vehicles in Australia has led to less than one per cent of the fleet possessing electric drivetrain technology. Many governments around the world provide strong incentives to encourage electric vehicle purchases, including tax exemptions, reduced road tolls and parking costs, and access to special lanes to optimise journey times.

¹⁴ <http://www.mining.com/bhp-says-2017-tipping-point-electric-cars/>

¹⁵ <https://industry.gov.au/Office-of-the-Chief-Economist/Publications/ResourcesandEnergyQuarterlyJune2017/documents/Resources-and-Energy-Quarterly-June-2017.pdf>

¹⁶ https://www.bcgperspectives.com/content/articles/sustainability_automotive_batteries_for_electric_cars/?chapter=2

¹⁷ <https://climateworks.com.au/publication/report/state-electric-vehicles-australia>

To incentivise electric vehicle uptake in Australia, the Australian Government should provide a short-term exemption to Fringe Benefits Tax and abolish the Luxury Car Tax for electric vehicles and associated infrastructure to encourage mass adoption.

Transitioning the national car fleet to electric propulsion will improve Australian health standards and productivity, reduce fossil fuel importation reliance, and provide a real path to meeting our commitment to the Paris Agreement. With electric vehicles offering the prospect of reducing motoring emissions by more than 90 per cent, the Climate Change Authority suggests that electric light vehicles could have the biggest impact on reducing annual emissions from the transport sector.

Recommendation

The Australian Government should provide a short-term exemption to Fringe Benefits Tax and abolish the Luxury Car Tax for electric vehicles to encourage mass adoption.



Discovery

Tourism Australia

Tourism and the visitor economy is Australia's second largest export earner, generating exports worth \$41.1 billion a year. Tourism now makes a larger contribution to the Australian economy than coal exports at \$38.0 billion¹⁸.

The sector has experienced phenomenal growth over the past decade, and is tipped to grow faster than global GDP to 2033¹⁹. Tourism exports grew 9 per cent to \$30.7 billion in 2014-15, with international education as a proportion of tourism exports, growing at a staggering 14.5 per cent to \$18.2 billion over the same period.

Tourism Australia, as the nation's tourism marketing organisation, has a vital role in encouraging increased visitation, spend and dispersal in metropolitan and regional Australia. Tourism Australia requires certainty of funding to develop campaigns that continue to attract visitors to the country. Certainty of funding provides the private sector with confidence to invest in products and services that support the visitor economy.

NRMA notes funding for Tourism Australia in the 2017-18 Budget has fallen from \$154 million in 2016-17 to \$148 million, and is forecast to decline further over the forward estimates. In contrast, funding for NSW's tourism organisation, Destination NSW, rose 10 per cent to \$192 million in 2017-18. In an increasingly competitive market, funding for Tourism Australia must be increased to ensure Australia remains top of mind with potential visitors.

Further, as we approach 2020, it is timely to consider how effective the nation's strategies have been in growing international and domestic overnight expenditure, and the future direction of the sector beyond its 2020 targets. Tourism 2020 should be reviewed and new targets set, with a specific focus on encouraging greater dispersal to the regions.

Recommendation

Boost funding to Tourism Australia to \$200 million to promote Australia as the preferred holiday destination among international visitors.

Conduct an evaluation of the Tourism 2020 targets and set the next set of targets and strategies to support the growth of the sector, particularly in regional Australia.

Regional city deals

The NRMA welcomes the Australian Government's Smart Cities Plan to create City Deals throughout Australia. The NRMA supports the concept of bringing all three levels of government together to prioritise reforms in investment and planning, tailored to back local plans and opportunities, to advance individual cities or regions.

¹⁸ Australian Trade Commission (2016) *Trade and Investment Note: Our second largest export earner: introducing Australia's visitor economy*, June 2016, p. 2

¹⁹ Deloitte (2015) *Positioning for prosperity? Catching the next wave*, p.9

The Regional Australia Institute estimates that regional cities have a \$378 billion output potential to 2031 and City Deals can assist to unlock the social and economic contribution of regional NSW.

Currently, four City Deals are in operation in Townsville, Launceston, Western Sydney and Darwin. The NRMA believes the Australian Government should work with regional communities to identify additional locations for City Deals.

Population projections to 2026 indicate an expected 16 per cent increase in the population in regional Australia compared to 17 per cent in metropolitan areas. In regional NSW, cities like Bathurst, Coffs Harbour and Newcastle are expected to experience population growth of between 11-15 per cent over the next decade. Others like Tamworth, Gosford-Wyong and Shoalhaven will also grow between 6-10 per cent.

These expanding regions would benefit from coordinated planning and investment between the three levels of government to support more sustainable regional communities through skills and industry development and enhancing their liveability and amenity.

Recommendation

Identify high-potential regional locations that would benefit from participating in the City Deals scheme.

East Coast High Speed Transport and Corridor Preservation

The Sydney-Melbourne air route is currently the third busiest in the world.²⁰ The alternative car and public transport options put travel times beyond nine hours, which does not provide a realistic alternative.

By 2065, travel on the east coast will have more than doubled to 355 million trips per year. These forecasts could signal significant future air capacity constraints, supporting the need for an alternative transport option alongside planned investment in airports.

High speed travel for the east coast of Australia has been proposed for decades, however little has been achieved beyond conceptual planning. Planning and investment is essential to identify and progress a value-for-money alternative to air and road-based transport. Consideration should be given to the economic and social benefits from the improved connection between urban centres.

High speed rail is potentially one such option. The High Speed Rail Study Phase 2 Report suggests journey times would be two hours and 37 minutes between Brisbane and Sydney, one hour and four minutes between Sydney and Canberra, and two hours and 44 minutes between Sydney and Melbourne. Forecasts show that more than 80 million passengers would make use of an east coast high speed rail service by 2065.²¹ The Sydney-Canberra route of the high speed rail proposal is presented as the preferred first stage of construction in the Phase 2 Report.

²⁰ www.routesonline.com/news/29/breaking-news/274672/the-worlds-busiest-passenger-air-routes/

²¹ High Speed Rail Study Phase 2 Report

The NRMA acknowledge the high cost associated with high speed rail. The NRMA therefore supports consideration of rail technology, infrastructure enhancements and rolling stock to support faster travel times using existing track. This approach has been used in the United Kingdom and elsewhere to provide a value-for-money alternative to investment in high speed rail. Travel speeds associated with these types of service could exceed 220 km/h with costs only a fraction of high speed rail.

The NRMA is supportive of the concept of Sydney-Canberra faster rail and would commend a proposal to deliver a higher speed service should it be cost-effective for taxpayers and beneficial to the community. Consideration should continue to be given to alternative technology that could reduce travel times and cost on this corridor.

High speed transport can play an effective role in meeting future travel demand, particularly for the east coast of Australia, and is therefore supportive of at least protecting and preserving potential transport and infrastructure corridors.

Recommendation

Australian Government to work with NSW and ACT governments to develop the concept of Sydney Canberra faster rail as an initial step to developing economic development along the Southern Highlands corridor and the Capital region.

Western Sydney Airport Rail Link

Western Sydney Airport is one of the largest infrastructure projects in Australia. Planning for its future use presents the opportunity to bring technology, road and rail together to deliver a high-capacity transport hub for tourists and residents in the heart of one of the fastest growing regions in Australia.

The NRMA acknowledges the \$3.6 billion that has been committed to a 10-year Western Sydney Infrastructure Plan, which aims to link the new airport to Sydney's road network through a series of new and upgraded roads, including the Northern Road and M12 Motorway.

In 2015, the Australian and NSW Governments announced a Joint Scoping Study into Western Sydney Airport rail. With more than 35 million passengers expected to utilise rail at Western Sydney Airport by 2050, the NRMA supports an integrated transport solution to support the functionality of the new airport, as well as project commuter and tourism movements. Rail access will also complement current road renewals and upgrades and add to the total airport transport solution.

Recommendation

Allocate funds to support rail corridor preservation for the Western Sydney Airport Rail Link and provide a timeframe or criteria for its construction.

Regional Airport Safety and Access

Regional airports provide crucial lifelines to economic opportunity and connection for many regional communities. Fifteen million passengers use rural and regional airports each year, with these airports inducing another \$83.4 million in spending in the rest of the Australian economy.

Australian airports have some of the world's highest safety standards. However, the cost to maintain these standards is expensive. Regional airports across Australia invested \$185 million in 2014-15 to maintain and improve operations²².

However, there are a number of unique challenges facing regional airports in Australia, including old lighting, animals and livestock on runways and unsealed runways.

Like the local road network in Australia, regional airports have growing infrastructure backlogs and maintenance shortfalls, with the cost profile of airports expected to rise for the foreseeable future²³. Across Australia's regional airport network, it is expected that the annual budget deficit will be \$17 million per year, equating to a \$170 million shortfall in essential infrastructure and maintenance funding at regional airports over the next 10 years²⁴.

Funding needs to be committed to important infrastructure upgrades to ensure these assets continue to provide critical access to social and economic opportunities by regional communities.

Recommendation

Australian Government provide a funding plan for regional airports to address current infrastructure backlog, maintenance shortfalls, and future cost imposts.

²² Acil Allen Consulting (2016) Regional Airport Infrastructure Audit: Economic contribution and challenges of regional airports in Australia

²³ Media Release: Australian Airports Association 18 October 2017, Campaign to Improve Safety and Access for 15 million Rural and Regional Passengers. Cost of running regional airports are expected to increase by 40 per cent over the next 10 years.

²⁴ Acil Allen Consulting (2016) Regional Airport Infrastructure Audit: Economic contribution and challenges of regional airports in Australia

Community

Supporting growth in Western Sydney

Greater Sydney, particularly Western Sydney, is growing rapidly and requires connections that optimise economic activity, employment opportunities and mobility options. As communities develop, improved transport accessibility and connectivity will be necessary to link new homes with facilities and services.

NRMA supports additional investment in Western Sydney growth roads and ensures that these roads facilitate the development of the Western Sydney Airport are appropriately planned to support the long term growth needs of the area.

Recommendation

Progress construction of Western Sydney Growth Roads and adequately plan future road projects to support development of Western Sydney Airport.

Western Sydney North-South Corridor

To increase transport efficiency in and around Western Sydney, particularly post completion of Western Sydney Airport, a north-south motorway corridor that complements Sydney's existing motorway network is required.

It is essential that Sydney's North West and South West growth centres are connected to Western Sydney Airport, as well as regions beyond Greater Sydney to increase access and maximise employment opportunities for residents. A north-south transport corridor is supported in the following strategic plans:

- Future Transport 2056.
- NSW State Infrastructure Strategy.
- NSW Freight and Ports Strategy.
- Broader Western Sydney Employment Area – Structure Plan.
- North West Priority Growth Area – Land Use and Infrastructure Plan.
- South West District Plan.

A north-south motorway corridor connecting Sydney's major growth centres in the North West and South West could be expanded in the future to connect Western Sydney with the Central Coast and the Illawarra, providing residents in these locations direct access to Western Sydney Airport.

Recommendation

To support and complement the infrastructure plan for Western Sydney Airport and the North West and South West growth centres, planning for a connecting north-south motorway corridor through Western Sydney should be prioritised.

Lake Macquarie Transport Interchange – Pennant Street Bridge

The Lake Macquarie Transport Interchange is a significant infrastructure project for growing residential precincts in the Lower Hunter.

In June 2017, the NSW Government committed \$1.7 million in funding to complete a strategic business case for the next stage of the project (Stage 1 – Section 2). This addition to extend Pennant Street in Cardiff over the main northern railway line will create a direct link between Glendale and Cardiff, is required to support residential density and employment, and to provide improved access and mobility options for residents.

The NSW Government's Lower Hunter Regional Strategy designates Glendale as an emerging major regional centre, projecting an additional 6200 jobs and 4000 dwellings in the area by 2030.

The Lake Macquarie Transport Interchange is a priority project for Lake Macquarie City Council and has been supported by the NRMA for several years. The Hunter Economic Development Corporation and the Hunter Business Chamber also support the project, listing its completion as a nationally significant infrastructure priority for the Hunter Region.

Post construction, the Lake Macquarie Transport Interchange will stimulate the surrounding area by encouraging retail, residential and commercial development, and will potentially connect local residents to the City of Newcastle via an expanded light rail network.

The NRMA strongly encourages capital investment in planning and construction works as this infrastructure project will reduce travel times, improve safety, accelerate land development and employment opportunities, and support one of the fastest growing precincts in the Lower Hunter.

Recommendation

NRMA urges the Australian Government to provide funding to Lake Macquarie City Council for the Lake Macquarie Transport Interchange.

Barton Highway Duplication

The existing highway between the ACT Border and the dual carriageway north of Murrumbateman is a single lane carriageway and has a poor safety ranking. According to the latest Australian Road Assessment Program (AusRAP) report released July 2013, 62 per cent of the highway only has a 2 star rating. 33 The lack of overtaking lanes, median barriers and other safety features highlights the need for investment along 33 kilometres of the highway.

Completion of the existing \$40 million Barton Highway Safety Works Package with particular reference to the Gounyan Curves Road Realignment has provided part of the preliminary works necessary for duplication. Full duplication of the highway is considered essential to address the poor safety ranking from the Hume Highway to Canberra. NRMA believes it is imperative that funds be available to completely duplicate the highway as an important part of the National Network.

Recommendation

NRMA urges the Australian Government to commit funds to duplicate the remaining 33 kilometres of single lane carriageway on the Barton Highway.

M1 Pacific Motorway to Raymond Terrace Upgrade

NRMA urges the Australian Government to commit funds to upgrade the Pacific Highway by providing the missing link between the M1 Pacific Motorway, south of John Renshaw Drive and the Raymond Terrace bypass.

The 15 kilometre dual carriageway upgrade would improve:

- Connection between the M1 Pacific Motorway and the Pacific Highway
- Traffic flow for motorist and freight for more reliable times
- Accessibility to the surrounding road network
- Safety for all road users.

NRMA believes it is imperative that funds are allocated to commence construction of this important part of the National Network.

Recommendation

NRMA urges the Australian Government to commit funds to commence construction of the M1 Pacific Motorway to Raymond Terrace upgrade.

Parramatta Light Rail

Western Sydney is Australia's fifth largest region in terms of contribution to gross domestic product (GDP), and houses more than 10 per cent of Australia's population. Over the next five years, Parramatta's population will grow by 41,000 residents, almost twice the pace of the rest of Australia.

Approximately 2.3 million people can access the Parramatta LGA within 45 minutes, which will be further aided by the \$10 billion investment in critical infrastructure including WestConnex and Parramatta Light Rail. These projects will ensure Western Sydney communities remain connected to health, education and employment opportunities now and into the future.

The NRMA has demonstrated its faith in Western Sydney as an economic powerhouse by locating our headquarters at Sydney Olympic Park. In March 2017, the NRMA welcomed Stage 1 of Parramatta Light Rail connecting Westmead to Carlingford via Parramatta CBD.

Both the Australian and NSW Governments must now turn its attention to Stage 2 of the project from Camellia via Sydney Olympic Park and consider this extension in conjunction with the Sydney Metro West project. Stage 2 provides an opportunity to address major connectivity issues around Sydney Olympic Park, particularly during large-scale sporting and major events. Multi-modal connectivity will significantly improve the tourism prospects of this precinct.

Recommendation

Clarify funding commitment to Parramatta Light Rail.

Light Rail Extension

Modern light rail provides an efficient, reliable, turn-up-an-go service for users. With the capacity to carry up to 450 passengers, light rail is approximately 7.5 times more effective at moving people compared to the average bus. If light rail provides efficiency, accessibility and value for money to users, it presents as an attractive alternative to private transport.

The following light rail projects will complement work already undertaken in providing residents and visitors with high capacity rolling stock and support greater utilisation:

- Sydney Light Rail Extension towards Maroubra
- Newcastle Light Rail Extension to Broadmeadow
- Canberra Metro Stage 2 to Woden, and later the Canberra Airport and Queanbeyan
- G:link extension to Coolangatta Airport.

The NRMA supports these extension options as they would provide superior links to key destinations that will stimulate the appeal of the service.

Light rail is a mode of transport enjoying a remarkable revival. There are 80 cities around the world currently constructing or planning a light rail route. Light rail systems can be found in 53 countries across all continents – together they move 45 million people each day in 388 cities.²⁵

Light rail is a sustainable transport mode able to decongest local roads, reduce emissions and road accidents, and offer travel time savings to users. These significant benefits are achieved through reducing the number of cars and buses on congested routes.

Accessibility to landmark destinations and other modes of transport like air, rail and sea can be significantly improved through the utilisation of light rail, provided it represents good value for money and is well-planned to meet the needs of commuters.

While all of these complementary benefits are achievable, it is important for planners to consider light rail as part of an integrated transport system – not as standalone projects. Access to stations and supportive infrastructure is crucial for maximising use and reducing private vehicle congestion.

Light rail is a transport mode that can effectively transform communities and areas by playing a regenerative role, stimulating local amenity and attracting investment. Given these desirable elements, it is important to consider light rail proposals along with the wider economic and social benefits that are derived once light rail is implemented. The economic development within the

²⁵ <http://www.uitp.org/news/knowledge-brief-LRT>

existing G:link, Sydney Light Rail and Newcastle Light Rail corridors provide local and contemporary examples of the attraction of investment and urban regeneration alongside light rail.

Recommendation

Allocate funds to develop business cases for the listed light rail extensions

Sydney Metro West – further extensions

The NRMA welcomed the Government's 2016 announcement that planning work would begin on the Sydney Metro West. The NSW Government's own projections anticipate that an extra 420,000 people will move into the corridor between the Sydney CBD and Parramatta in the next 20 years. With the Western Line nearly at full capacity, a much needed improvement in public transport along this corridor must occur. The NRMA believes that the 2018-19 Budget should include a significant capital allocation towards this project in order for it to begin preparatory works in 2018.

Recommendation

Allocate funds to the Sydney Metro West project and fast-track a construction timeline for delivery.

F6 Extension

Identified as a priority infrastructure project in the 2012 NSW Long Term Transport Master Plan, a road link through Southern Sydney will provide a reliable connection for motorists to Sydney's motorway network, improving travel times between the Illawarra, Southern Sydney and the CBD. The proposal, which was first earmarked before 1950, will ease congestion on the local road network and provide faster travel times to and from the CBD. It will also benefit commuters and tourists accessing the Illawarra region.

While the NSW Government committed \$300 million in 2015 to traffic pinch points throughout Southern Sydney, this investment is not considered a viable long term solution. The recent progression of planning and project development work for Stage 1 of the F6 extension should be expanded to capture the remainder of the route to significantly alleviate congestion and provide Southern Sydney and the Illawarra region with improved amenity.

Stage 1 of the proposal alone – New M5 Arncliffe to President Avenue, Kogarah – will allow motorists to bypass up to 23 sets of traffic lights on the Princes Highway between St Peters and Kogarah. It will also reduce the number of heavy vehicles on surface roads by up to 2000 per day²⁶ and alleviate congestion around Sydney Airport, improving traffic flow, road safety and airport access from the north and south.

While the NRMA strongly supports Stage 1 of F6 extension, a commitment to extending the proposal further (Stages 2 and 3) is paramount in securing community support for the project and realising

²⁶ <http://www.rms.nsw.gov.au/projects/sydney-south/f6/index.html>

major benefits for those residing south of Kogarah. Consideration of options for preliminary works to relieve existing pinch points on the Stage 4 section, including at key intersections, is also essential.

Once constructed, F6 extension will not only improve travel times, but will re-establish the amenity of areas within proximity of the route currently acting as thoroughfares for CBD commuters. Construction of F6 extension will also support the growing Illawarra region and encourage tourism in the many spectacular areas south of Greater Sydney, including Southern NSW.

Recommendation

Planning and project development work for Stage 1 F6 extension should be expanded to Stage 2 and 3 to alleviate congestion and improve amenity through Southern Sydney and the Illawarra.

Western Harbour Tunnel and Beaches Link

The Western Harbour Tunnel and Beaches Link is a vital project that will significantly improve accessibility to the Northern Beaches for over 250,000 residents, dramatically cutting travel times and improving liveability.

Recognising the population density of existing communities, reducing congestion to and from the Northern Beaches along the Spit Road/Military Road corridor has been a priority project of state governments for over 20 years. If the region is to support further increased population density, consideration of non-road based travel alternatives is also a priority.

Consistently identified in the NRMA's *Seeing Red on Roads* surveys, the Spit Road/Military Road corridor is one of the worst stretches of road in Sydney. The corridor recently recorded the state's second slowest speed, with motorists averaging just 18.6km/h during the morning peak commute.

Linking the Northern Beaches with Sydney's motorway network is an undertaking the NRMA strongly supports. Ensuring seamless connections to the rest of the road network, including WestConnex, will be critical in managing future movement demand.

When completed, motorists using the Western Harbour and Beaches Link tunnels will bypass up to 19 sets of traffic lights and cut up to 40 minutes in travel time between Brookvale and the CBD. The tunnels will also cut up to 45 minutes off the journey between Manly and Parramatta.²⁷

An important component of this proposal is the upgrading of Wakehurst Parkway to two lanes each way between Seaforth and Frenchs Forest leading to the new Northern Beaches Hospital. Improving traffic flow between Seaforth and the Warringah Road/Wakehurst Parkway intersection will encourage CBD commuters residing north of Collaroy to avoid Pittwater Road, alleviating congestion through Dee Why and Brookvale during the morning and evening peak.

²⁷ <https://www.nsw.gov.au/news-and-events/news/beaches-link-plan-revealed/>

The Western Harbour Tunnel and Beaches Link project will not only provide benefits to residents of the Northern Beaches, but also those living in Mosman, Cremorne and Neutral Bay. With the Spit Road/Military Road corridor frequently congested, these village communities currently act as thoroughfares for CBD commuters during the week and beachgoers during weekends.

Recommendation

Commit grant funding to Beaches Link.

Moorebank Intermodal Terminal

The NRMA supports additional investment into key road projects that will support the development and future operation of the Moorebank Intermodal Terminal. A well connected road network supporting the terminal will allow for the efficient movement of freight and reduce congestion on local roads. The NRMA supports investment in the following projects:

- A solution to the M5 'weave'.
- Extension of Cambridge Avenue to link to the M5 and M7 Motorways.
- Upgrade of the Hume Highway intersections between the M5 and Orange Grove Road.

Recommendation

Work with the NSW Government to progress investment in key road projects to support the development and future operations of the Moorebank Intermodal Terminal.

National Heavy Vehicle Regulator

In February 2014, the Heavy Vehicle National Law (HVNL) commenced across New South Wales, the Australian Capital Territory, Queensland, South Australia, Tasmania and Victoria. The NRMA supports the HVNL, which is administered by the National Heavy Vehicle Regulator (NHVR).

While responsibility for NSW licensing and registration resides with Roads and Maritime Services, the NHVR has a significant role in regulating the large number of cross-border freight and transportation movements that support our economy. The NRMA believes more needs to be done to achieve modernisation and consistency so that a truly unified national heavy vehicle regulation is in place.

To remove unnecessary compliance obligations and support businesses to operate across state and territory borders, heavy vehicle permit issuance must be thoroughly addressed. The Productivity Commission in 2016 found that significant variations and inefficiencies in heavy vehicle regulation exist despite the commencement of HVNL.

To significantly improve efficiency, the NRMA supports the NHVR as a central application and issuance point for Road Access Permits for all heavy vehicle classes. A national approach supported

by state and local government will reduce red tape, remove inconsistencies and increase productivity for heavy vehicle operators and businesses.

Recommendation

Set a timetable to accelerate transfer of heavy vehicle regulatory powers to the National Heavy Vehicle Regulator.



