Productivity Commission

Inquiry into Public Infrastructure

Submission from the

Australasian College of Road Safety

19 December 2013

Contacts:
Mr Lauchlan McIntosh AM
ACRS President
Lauchlan.mcintosh@bigpond.com

Claire Howe
ACRS Executive Officer
eo@acrs.org.au

ACRS
PO Box 198
MAWSON ACT 2607
p: 02 6290 2509

Contents

1.0 Summary

- Australia's National Road Safety Strategy 2011-2020 sets out how road infrastructure investments can reduce crash rates and hence save lives and reduce injuries.
- Such reductions will have a positive benefit across many areas of the economy as evidenced by the 2013 ACRS College submission to Parliamentarians.
- Significant investment in safe road infrastructure by insurers such as the TAC has very positive returns.
- A $4.7m investment in specific road safety infrastructure has been shown by the AAA to have the potential to save 36,000 lives over 20 years.
- Efficiencies in design have shown in Sweden major reductions in expenditure on road infrastructure for similar operational outcomes.
- New vehicle technologies will revolutionise traffic in the next decade if not before.

2.0 Recommendations

- We urge the Commission to recognise the broader value and benefit of funding safer road infrastructure, road infrastructure which is suitable for tomorrow's vehicles.
- We also urge the Commission to recognise the value of a relatively small additional investment in road infrastructure today to reduce the cost of road trauma in the future.

3.0 Background

The Australasian College of Road Safety (ACRS) is the region's peak membership association for road safety professionals and members of the public who are focused on saving lives and serious injuries on our roads.

Australia has lost around 1200 lives in road crashes in the 12 months ended November 2013 with around 30,000 serious injuries being also attributed to road crashes.

The subsequent impact on Australia's health system and communities is too often overlooked, with the cost in monetary terms estimated by the Bureau of Infrastructure Transport and Regional Economics (BITRE) to be $27bn annually – more than the size of our national defence budget.

The College has limited resources and is unable to present a more comprehensive case to the Commission, but would be available to expand on any of the points outlined in this submission at a later time should the Commission wish. In addition, the key points outlined here can be validated and expanded by a range of Government agencies, research bodies, industries and insurers both in Australia and elsewhere.

We note that a key aspect of the Inquiry is;

> "The rationale, role and objectives of alternative funding and financing mechanisms, including:
>
> a. the full range of costs and benefits of different models"

noting that

> "One way to think about the provision of public infrastructure is as the decision to allocate resources to a particular infrastructure project. A key efficiency issue in this context is **whether there are net benefits to the community from the project and whether it generates the largest net benefits from the available options, given limited resources."** (Our emphasis)

And questioning;

> "What costs and benefits should be taken into account when considering the suitability of user charging for public infrastructure? What impediments exist to the wider application of user pay funding arrangements for public infrastructure, and how does this differ for different infrastructure types? How could such impediments be addressed?"

The Australian National Road Safety Strategy 2011-2020 (see Chapter 6 p49-56) is very specific about the benefits of safe road infrastructure.

Saving lives and reducing injuries has a considerable economy-wide effect, not only on reducing the burden on hospital infrastructure but in improved productivity. (See the 2013 ACRS Submission to Federal Parliamentarians)

4.0 Key Issues and Experiences

4.1 Victoria

The Victorian Government announced in October 2013 that it will invest $1 billion over the next 10 years to significantly upgrade the safety of almost 100 high-risk roads and intersections across Victoria. This will be funded through the Transport Accident Commission's (TAC) Safer Road Infrastructure Program (SRIP). An evaluation into the effectiveness of the SRIP program by the Monash University Accident Research Centre indicated that the program is producing a reduction of 31 per cent for all casualty crashes.

and

Road Safety – the Experience of the Transport Accident Commission in Victoria, Australia Discussion Paper No. 2011-24. Prepared for the Roundtable on Insurance Costs and Accident Risks (September 2011, Paris)

4.2 Australia

In 2013, the Australian Automobile Association's AusRAP program developed Safer Roads Investment Plans (SRIPs) for each State and Territory. Their analysis shows that a national investment of just over $4.7 billion has the potential to prevent over 36,000 fatalities and serious injuries over a 20-year period across the surveyed network. With a BCR of 3.49, the program represents a sound investment and an opportunity to save lives and reduce the burden of trauma from injuries.

4.3 Sweden

The Swedish Minister for Infrastructure, Catherine Elmsäter-Svärd, speaking in Sweden in May 2013 in speaking about the benefits of investing in road safety infrastructure said;.

"The most striking example of reducing costs for safety is adapting our Swedish 2+1 (lane) roads as an alternative to build new full scale freeways. For the same levels of safety level, we are getting a cost reduction of more than 90 %.

'We have been able to reduce the number of deaths on the Swedish roads more cost efficiently than we did some years ago. In 1995 the cost for saving one life on the road was over 1 billion SEK. Today a more innovative strategy means the cost per life saved is down to 50-100 million SEK."

'We have learnt that the elements and design of roads that created the effects, would have cost us just 1 % more on the road investment from the beginning."

(Speech attached)

4.4 Vehicles

Last month in Japan, Prime Minister Abe was driven around the parliament in Tokyo in three driverless cars (by Nissan, Toyota and Honda). He then said he wants to advance "auto-pilot" technology as part of his economic policy. His economic, not his transport policy.

French President Francois Hollande also this month presented a road map to revive the French car industry by promoting driverless cars and other technologies.

These new autonomous vehicles are rapidly entering roads around the world. A recent KPMG report "Self driving cars-are we ready" says that the "momentum behind self driving cars is astonishing."

Any consideration of future road infrastructure and must take these into account. Not only will safety be improved but reduced headways will increase road capacity, and/or reduce congestion.