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Driving business success for consulting firms in the built and natural environment

17 January 2019

Secretariat
Standing Committee on Infrastructure, Transport and Cities
House of Representatives
Australian Parliament

By email to: itc.reps@aph.gov.au

Dear Secretariat,

Inquiry into automated mass transport

I write on behalf of Consult Australia regarding the inquiry into automated mass transport by the House of Representative Standing Committee on Infrastructure, Transport and Cities. We welcome this inquiry, and the opportunity to contribute our feedback. This letter outlines our submission, which focuses on:

- Potential efficiency opportunities on infrastructure networks through automated transport;
- The need for a supporting tax model to complement a transition to automated mass transport, particularly on roads; and
- The importance of ensuring infrastructure investment decisions that support automated mass transport are backed by independent infrastructure bodies.

Consult Australia is the industry association that represents the business interests of professional services firms within the built and natural environment. These services include design, planning, civil engineering, architecture, technology solutions and project management. Our industry is estimated to employ over 240,000 people and generates a combined revenue of over \$40 billion per year.

Increasing the efficiency of transport networks

A focus on automated mass transport is an important step towards increasing the capacity and improving the efficiency of transport networks across Australia, particularly in areas currently experiencing significant congestion concerns. Infrastructure Victoria's research report on automated and zero emission vehicle infrastructure touches on some of these potential benefits, by basing these on a number of scenarios depending on the scale that new technology is embraced. Under the perfect scenario with all vehicles on the road network automated, some of the potential benefits in Victoria alone could include up to:

- 91% of congestion reduced;
- \$14.9 billion increase in Gross State Product in 2046;
- 94% of road accidents reduced; and
- 50% reduced car operating costs.¹

While these benefits represent the upper end of the spectrum and would require the full uptake of zero emissions and automated vehicle technology, we do believe they demonstrate a significant opportunity for Australia in embracing automated transport, and integrating this technology as much as possible into the wider transport networks.

The need for a supporting tax model

Growth in automated mass transport, and more broadly the uptake of automatic and electric vehicles, will significantly impact the current taxation model associated with the use of transport infrastructure. We believe we are already seeing a structural funding gap develop with road infrastructure. Revenue collected

¹ Infrastructure Victoria, [Future scenarios report \(2018\)](#)

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from the use of road infrastructure is not reflecting the actual costs of the road network, and this revenue is continuing to decline despite an increase in the number of road users.^{2 3} If left unaddressed, governments will continue to see this gap grow to the point that costs to maintain, upgrade and expand the road network to meet future demands become unsustainable.

Consult Australia recommends this inquiry investigate opportunities how reforms to the taxation model associated with the use of roads, and other types of transport infrastructure to a lesser extent, can complement the expected growth in automated mass transport. The end goal should be a sustainable and equitable taxation model that provides sufficient and certain revenue to meet the current and future needs of the network.

To this end, we believe a network-wide road user charging model can address both the current funding gap and meet the future needs of the network if designed appropriately. A network-wide approach to road user charging, as opposed to the asset-by-asset approach currently taken in major urban centres, will ensure costs associated with the use of roads are funded by those who benefit most from their use. It will also ensure assets are optimised more efficiently if supported by a dynamic approach, potentially helping drive a shift towards the uptake of automated mass transport and reduce environmental impacts.

Ensuring investment decisions are backed up by independent infrastructure bodies

Lastly, we highlight the importance of ensuring investment decisions to enable growth in automated mass transport across Australia are managed through an independent infrastructure governance approach. The use of independent, robust and transparent processes and governance model to inform future investment decisions is critical for effective evaluation, prioritisation and decision-making. This ensures governments are investing in areas with the most benefits at the right time.

Consult Australia last year released a policy report titled '[iBodies: Infrastructure Governance in Australia](#)' which discusses the importance of an independent infrastructure governance approach. In this report, we highlight how an independent approach can remove any temptation for short-term and politically expedient decision-making, and can instead better enable integrated and long-term planning for future needs. This approach ensures that infrastructure planning is backed by expert advice and ensures decision making is evidence-based.

We therefore believe the expertise of Infrastructure Australia, and equivalent infrastructure bodies at state and territory levels, will be vital for developing a sound approach to how the Australian Government can maximise the benefits of automated mass transport, and to identify the best underpinning infrastructure investments for success.

Consult Australia thanks you for the opportunity to contribute to this inquiry. If you would like to discuss our input further, please contact James Robertson, our Policy Advisor, at james@consultaaustralia.com.au or on 0448 531 144.

Yours sincerely,

Nicola Grayson
Acting Chief Executive
Consult Australia

² ABS, [Motor Vehicle Census \(2018\)](#)

³ Australian Government, [2018-19 Federal Budget](#) (p. 5-17) – fuel excise from petrol