Submission to COAG Road Reform Plan: Preliminary Findings Consultation Paper

C-MARC is pleased to be able to make this submission to the Australian Government's COAG Road Reform Plan on the Preliminary Findings Consultation Paper. A previous C-MARC submission made the case for inclusion of safety in the CRRP project as a whole. This submission builds on this foundation and describes particular issues relevant to the Consultation Paper.

It is encouraging that road safety has been given more attention in this Consultation Paper than previous CRRP reports. Safety is integral to best practice transport policy development and the objectives of the highest transport policy making body in Australia, Standing Council on Transport and Infrastructure (SCOTI, formerly the Australian Transport Council, ATC). The COAG Road Reform Plan presents an opportunity to make a significant contribution to improving road safety, so it would be unfortunate if health and safety benefits to the Australian community remained unrealised.

Therefore, the conclusions would benefit from substantial strengthening, with respect to the following aspects regarding safety:

- explicitly including road safety as an objective of the COAG Road Reform Plan;
- assessing road safety outcomes of the COAG Road Reform Plan; and
- describing safety benefits which can accrue from the COAG Road Reform Plan, even at little cost.

Safety outcomes could be a net benefit to the plan, at little or no cost, and a positive outcome which should be described.

Yours sincerely,

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Introduction

A previous C-MARC submission made the case for inclusion of safety in the CRRP project as a whole. This submission builds on this foundation and describes particular issues relevant to the Consultation Paper.

Human safety and health are fundamental human rights. Therefore maximising safety is essential in transport and the community at large. All sections of Government, industry and the community need to regard road safety as common good practice. Therefore safety must be integrated in the COAG Road Reform Plan.

The COAG Road Reform Plan needs to clearly incorporate road safety outcomes which Australians deserve. The following key points describe improvements road safety policy which can accrue as part of CRRP.

1. Safety as an objective of the COAG Road Reform Plan

Safety is a core government objective, but it is not generally reflected in the COAG Road Reform Plan reports. The Australian Transport Council (ATC, now the Standing Committee on Transport and Infrastructure, SCOTI) key objectives specifically include safety: "To provide a safe transport system that meets Australia’s mobility, social and economic objectives with maximum safety for its user."^2

Since CRRP commenced, Australian Governments, collaboratively through ATC, explicitly endorsed safety as a primary issue: "No death or serious injury on the roads is acceptable, and bold steps will be needed to reduce further the number of deaths and serious injuries."^3

The Consultation Paper notes that safety is a component of road infrastructure costs. Safety outcomes are entirely consistent with the Principles Guiding the Feasibility Study, including:

2. Support efficient provision and maintenance of roads.

5. Be implemented having regard to the impacts on all road users and other affected parties.

At the same time safety outcomes do not threaten the other CRRP or feasibility study objectives. Therefore it is entirely consistent for CRRP to include road safety as an objective.

Road safety should be included as an objective of the COAG Road Reform Plan and explicitly described in the preliminary findings.

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2. Safety outcomes assessment in COAG Road Reform Plan

An efficient pricing system for heavy vehicles should reflect the full cost of road provision and externalities, including safety. It is likely that the outcomes of CRRP will be positive for road safety. Prices that reflect the costs of providing roads for heavy vehicles will encourage:

- an efficient and safer trucking fleet mix;
- better (safer) route selection for freight;
- efficient and safer use of the road network; and
- efficient and safer freight modal choice at the margin.

These benefits should therefore be an integral part of the COAG Road Reform Plan assessment and reflected in the Consultation Paper. Alternatively if safety costs occur, they should equally be included in the assessment.

Similarly, the benefits of road reform on the supply side of the market could include:

- optimisation of road network quality and safety;
- optimisation of vehicle operating costs including reduced crash costs;
- appropriate access and safety decisions;
- planning and road provision for safety and efficiency; and
- improved road expenditure accountability with respect to community safety.

Funding reforms can be extended to additional road safety benefits. The proposed 'market' for road safety is incomplete since it imposes externalities on others and does not necessarily take account of all infrastructure costs to provide for road safety. When the safety costs are charged, the revenue can rightly flow to investments in road safety. This is what occurs in rail transport infrastructure and operations, and should rightly occur in road transport for identical reasons. Therefore, road safety costs should be appropriately charged, and linked to revenue and expenditure. These linkages will lead directly to safer road transport.

**Road safety outcomes should be assessed as an integral part of the COAG Road Reform Plan outcomes and reported in the preliminary findings.**
3. Incorporating safety benefits in the COAG Road Reform Plan

While the key benefits and objectives of road reform are likely to arise in productivity from road pricing reform, and road infrastructure funding and expenditure reform, there are potential safety benefits as well. Better aligning heavy vehicle charges to the actual costs of a heavy vehicle trip, including safety, is likely to encourage safer use of the road network, as noted above. This occurs through the demand and supply-side mechanisms already introduced in the plan which equally apply to safety:

- a safer trucking fleet mix;
- safer route selection for freight;
- safer use of the road network (greater use of safer roads);
- safer freight modal choice at the margin (greater use of safer vehicles);
- optimisation of road network safety;
- reduced vehicle crash costs;
- safer truck loading;
- reduced operating costs (including vehicle downtime, productivity losses, repairs and insurance);
- safety policy and investment decisions by governments and operators;
- improved planning and road provision for safety; and
- improved road expenditure accountability with respect to community safety.

Essentially, prices will be (or should be) higher for travel on less safe roads and for less safe road use. The plan is logically inconsistent in that it applies economic principles to transport productivity and efficiency but fails to apply the same principles to road safety which is an equally valid outcome. This is despite the fact that safety outcomes could be a net benefit to the plan, and at little or no cost.

Currently there is a market failure with respect to the availability, accuracy and relevance of information with respect to heavy vehicle safety. To overcome this, the road user charging mechanism could include the collection of information regarding safety (such as exposure, time of travel, etc.) and at little or no cost. It is suggested that information could be used for road planning (presumably meaning infrastructure provision) but could equally be used for road safety strategy, policy, planning and programs.

Road safety outcomes (probably beneficial and at little or no cost) should be described in the CRRP findings.