Economic recovery and the role of transport technology in Australia – **ITS Australia Submission**

To: Australian government transport and infrastructure ministers and transport agencies

ITS Australia is the peak industry group representing over 120 public and private organisations that deliver transport solutions and technology that improves Australia's road and transport networks. ITS Australia promotes the development and deployment of advanced technologies to deliver safer, more efficient and sustainable transport across all public and private modes – air, sea, road and rail.

Established in 1992, ITS Australia is an independent not-for-profit incorporated membership organisation representing ITS suppliers, government authorities, academia and transport businesses and users. Affiliated with peak ITS organisations around the world, ITS Australia is a major contributor to the development of the industry.

The 2019 Australian Infrastructure Audit found that the cost of road congestion and public transport crowding in Australia could increase from $19 billion in 2016 to $39.6 billion in 2031 without continued infrastructure investment. Although its root causes vary, it is a widespread problem across multiple corridors in Australian cities[1].

During the unprecedented challenges being faced through the COVID 19 pandemic we are currently seeing reverse impacts, with our road networks and public transport operating at ~80% of previous capacity. This is of course due to the current government restrictions; however there will be long-term impacts felt that need to be considered as we start the relaxing of business closures and other mitigation strategies.

While the full impacts of the economic slowdown associated with the COVID 19 response will take some time to be quantified, our industry continues to deliver essential services and construction projects and is fully staffed ready to support any stimulus measures.

ITS Australia is extremely supportive of the government's commitment to delivering vital infrastructure projects and keeping these projects going has made a real difference to industry in its ability to continue to employ significant work forces and support the readiness of our industry to be available to respond to new projects.

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[1] https://www.infrastructureaustralia.gov.au/sites/default/files/2020-03/2020_infrastructure_priority_list_low_resolution_-_updated.pdf - pp71

Industry Impacts

A member survey conducted by ITS Australia on Covid 19 related industry impacts reveals that more than 60% of respondents had experienced negative financial impacts and report reduced operational levels ranging from 50 – 100% with an average of 83%.

There have been some impacts related to international supply chains and international expertise for highly technical projects – these challenges are being managed in the short-term but it is of course an issue to be closely monitored and considered going forward.

Aviation impacts leading to excessive airfreight costs, around 3 – 4 times pre Covid-19 prices, are challenging local technology manufacturers who supply international markets. While this impact is manageable in the short term, should travel restrictions remain in force in the longer-term this may become a more significant barrier to our local technology exporters.

Our transport operators are playing a valuable role providing safe transport services to the community, but they are experiencing a significant reduction in patronage and are in discussion with governments regarding appropriate responses - such as potential timetable changes. Ongoing communication regarding the additional hygiene and distancing measures across shared transport will be important to rebuild community confidence in shared and public transport services as the need to travel returns.

Opportunities for technology to minimise negative impacts post COVID 19

Intelligent transport systems (ITS) enable transport operators to get the most out of their transport networks. Sophisticated road safety infrastructure technology to improve road safety outcomes and network optimisation projects reduce congestion, ITS enables transport to be safer, more efficient. and effective.

From managed motorway technology on major infrastructure projects to incorporating ITS on our orbital networks, the application of digital networks and technologies enables smarter use of transport infrastructure.

Transport technology assists to optimise the network and prioritise more desired modes such as active transport and public transport. There is an opportunity now, and as the economy makes its way back to full capacity, to better understand travel patterns and utilise technology and migrate back to more efficient approaches.

We need to ensure all new transport projects includes smart transport infrastructure. This will not only deliver jobs for today, and a better understanding of travel movements, but will also also lift the productive capacity of the economy and the workforce over the longer term.

This is an opportunity to further build Australian expertise in increasingly technical and specific technologies. We have local offices of many global ITS industries in Australia. These organisations are pivoting to train up local Australian expertise through their international capability to deliver projects that would more typically involve international expertise. The current context makes this a unique opportunity to build local expertise in what is a growing field globally.

As we look towards the future a solid foundation of good transport infrastructure that is technology enabled will not only deliver benefits immediately but enable the potential of connected and automated vehicles and other transport innovations.

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Page | 2

Next steps

We encourage government to consider clear guidelines to industry who are currently operating on-site regarding safe work practices expected for your worksites. The industry is eager to continue to deliver projects in a safe work environment for their teams. Clear guidelines will assist both in terms of meeting staff expectations on site while managing client expectations around potential constraints on delivery.

We note that Highways England have adjusted some commercial terms to help with the C-19 challenges. These include a temporary relaxation on some place of work requirements allowing people to work from home, C-19 cost treatment and safety obligations that maybe positive considerations for Australia. Of particular relevance to industry is Highway's England undertaking to improve the speed of supplier payments.

There are some challenges industry faces that benefit enormously from government commitment to consistent practices including its continued support for existing projects and prompt payment terms. Any flexibility with contracts related to delivery of transport services to enable response to reduced travel demands would be highly regarded as well as a continuation of existing procurement processes. In case of delayed procurement clear direction on the timeline going forward is highly valued by industry. This is both to aim to minimise delays to support consistency of workflow and reducing the likelihood of workers being laid off and business having to re-hire again.

As indicated in Infrastructure Australia's 2019 priority list many ITS projects have been shown to provide a strong cost benefit ratio with the opportunity for projects to both future proof transport projects and provide immediate network benefits.

We strongly support ensuring transport infrastructure projects being delivered with smart technology to optimise the efficiency of the massive investment governments are making in these assets, with the installation of connected infrastructure to deliver safety and efficiency benefits of connected transport technologies.

Funding the future

Considering the wide-reaching economic impacts governments may be reflecting on the opportunity to move to broader user-pays system for transport services, removing some of the burden from the taxpayer to the user. Transport technology developments have ensured that there are many suitable pathways. ITS Australia membership includes local and international expertise in these systems and global leaders in delivering user-pays transport technology systems and networks.

With such a massive shock to the economy, our businesses and communities there is a potential opportunity to implement positive changes that could only be considered in times of major change. This is a once in a lifetime event that could provide that opportunity to rethink traditional approaches and behaviours.

Conclusion

As the peak body that represents national and international ITS organisations, we strongly support an approach that works towards harmonisation and cross-jurisdictional considerations.

The establishment of the National Cabinet supporting national collaboration with the opportunity for state-based jurisdictional differences has been appreciated in the Covid 19 response. Similarly, as we move forward with new projects incorporating technology that will be with us for many years into the future, we would encourage continued national collaboration and harmonisation to avoid disconnects as we move across state borders.

ITS Australia is available to support government deliberations on suitable approaches and to connect governments with industry leaders. Please don't hesitate to be in touch for further discussion or to arrange a team to meet with ITS industry leaders.

Yours sincerely,

Susan Harris
Chief Executive Officer

About ITS Australia

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As set out in the Strategic Plan 2018-2021 our vision is to shape future transport to be safe, efficient and environmentally sustainable through the implementation of Intelligent Transport Systems. Our mission is to:

•   Advocate for, and inform discussion about, ITS;

•   Facilitate collaboration and partnering amongst industry, government and researchers;

•   Support research, development and the deployment of ITS technologies;

•   Influence and guide the successful development of the ITS industry.