Ninti One Limited

Submission – Draft National Remote and Regional Transport Strategy

July 2015

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Introduction

Ninti One welcomes the opportunity to provide comments on the Transport and Infrastructure Council's draft National Remote and Regional Transport Strategy report. Our Cooperative Research Centre for Remote Economic Participation (CRC-REP) research projects 'Population Mobility and Labour Markets' and 'Transport Futures' have informed our response to the draft strategy.

About Ninti One

Established in 2003, Ninti One is a not-for-profit, independent national company that builds opportunities for people in remote Australia through research, innovation and community development.

Ninti One manages:

- the current activities and partnerships of the CRC-REP
- the commercialisation of the Intellectual Property from CRC-REP and the legacy projects from the former Desert Knowledge CRC (DKCRC)
- consultancy services related to the delivery and commercialisation of research for the benefit of Australians living in remote areas.

CRC-REP has three goals:

- To develop new ways to build resilience and strengthen regional communities and economies across remote Australia
- To build new enterprises and strengthen existing industries that provide jobs, livelihoods and incomes in remote areas
- To improve the education and training pathways in remote areas so that people have better opportunities to participate in the range of economies that exist.

Our CRC-REP 'Population Mobility and Labour Markets' and 'Transport Futures' research projects have particular relevance to the draft National Remote and Regional Transport Strategy. We are available to discuss with the Council how our research team can assist in the development of the final strategy.

More information on our activities can be found at www.nintione.com.au and www.crc-rep.com.

Draft Strategy – General comments

Three of our staff attended the National Remote and Regional Transport Infrastructure and Services Forum in Alice Springs in May 2014. The comments made at the Forum have been well captured and synthesised in the draft strategy report.

The section in the report providing context information on remote Australia and the need for a remote transport strategy could be further enhanced by mentioning how important transport systems are for Aboriginal and Torres Strait Islander communities. Indeed, our research shows that mobility is crucial in terms of livelihoods and wellbeing as a way to sustain communities in and between multiple homelands. This is an essential characteristic of the culture and identity of the 130,000 Aboriginal and Torres Strait Islander people living in over 1,200 discrete communities across remote Australia.

While transport disadvantage is mentioned in the report, it could be useful to further describe its impacts on socio-economic exclusion and the loss of wellbeing. Our research indicates that around 25–35% of the average household budget is allocated to transport in very remote communities. As a result, people are in a critical situation of transport stress.

Our research findings indicate that there is an evident correlation between having a license and being employed. The DriveSafe NT – Driver Licensing Program (NT) mentioned on page 10 is therefore an outstanding initiative. We believe this program should be extended to other states.

In the sections below, we have made comments on the draft actions. We have also suggested further actions to be included in the Strategy to address some critical issues faced by remote residents.

Transport infrastructure – draft Actions

Draft Action 1 Develop a national framework that facilitates private sector investment and developer contributions to support remote and regional transport infrastructure construction projects and transport services.

Priority: Very high

The draft report does not stress enough the fact that in general, transport infrastructure should be considered essentially as market-driven opportunities. Transport infrastructures involve large levels of capital expenditure and low levels of recovery, particularly in a remote context. The construction of transport infrastructure in remote communities currently provides limited opportunities for local employment. Indeed, the vast majority of employees involved in large infrastructure projects come from interstate or overseas and stay for the duration of the project in larger service centres. Maximising employment and economic opportunities for local communities should be integral to any future plans.

Currently there are significant gaps in terms of integrating different transport infrastructures (rail/road, air/rail/road, maritime/air, motorised/non-motorised). Targeted initiatives for multi-modal infrastructure to maximise the connectivity of different existing transport networks are very likely to be higher performing and should be prioritised as such. However, for the largest remote communities located close to a large service centre, the expectation of reasonable long-term socio-economic benefits might provide good business opportunities to engage in road-sealing projects. Our research findings indicate that in large very remote communities with a sealed road access, 15% more people commute for work than in communities which do not have access via sealed roads.

Draft Action 2 Investigate the impact of establishing a national infrastructure funding allocation framework including dedicated funding streams and appropriate assessment methodology for remote and regional transport infrastructure that takes into account the unique circumstances of these areas and establish if necessary.

Priority: High

The draft strategy highlights the importance of designing new tools (such as Adjusted Cost Benefit Analyses and Strategic Merit Test) to evaluate the benefits of transport initiatives in accordance with recent developments such as the *National Land Transport Act 2014* and the National Guidelines on Transport System Management. There is a need to expand the use of these tools across State and Territory jurisdictions so that projects can be assessed in a consistent way across remote Australia. Our Transport Futures project focuses on studying and quantifying the broader benefits of transport programs and alternatives in remote areas. This includes improved health, transport safety, education, workforce participation, land use and environmental and socio-cultural outcomes; and decreased criminality. Such economic assessment tools should be used consistently to analyse, compare and prioritise both transport infrastructure and service projects. There is a need for more research focusing on evaluating transport projects' multiplier effects for market developments and wider socio-economic benefits. Ninti One can offer assistance in developing appropriate assessment methodologies for remote and very remote areas.

Draft Action 3 Establish national infrastructure planning and assessment guidelines to ensure whole of life costs and sustainability are determined in infrastructure design, and that infrastructure is fit for purpose and can be maintained to an appropriate standard once constructed.

Priority: Very high

Ninti One can offer assistance in developing a suitable CBA methodology for remote and very remote areas to ensure whole-of-life costs are properly determined and taken into account at design phase.

Draft Action 4 Establish a national rural and remote arterial road network development plan that focusses on key regional strategic secondary roads to complement the national freight network and associated strategies.

Priority: High

We support this action but believe there is a need for an overarching transport funding framework (as for Action 2) including national rural and remote arterial road network development plans. The 'Royalties for the Regions' funding program running in Western Australia mentioned on page 10 is under-discussed; it represents a benchmark model for transport funding. This should be further discussed in the context of combining funding for both infrastructures and services. Our research indicates a strong aspiration for implementing new local services within communities in general. Such services would help to reduce transport needs and depending of a variety of specific circumstances implementing new local services could act as a potential substation to road infrastructures. Indeed, shopping is a primary reason for people living in remote communities to travel to service centres, as shopping choices are limited and costs are high in remote-community stores.

Additional Actions to be considered:

A) We also believe there is a need to establish a national plan and funding allocation framework for the maintenance of infrastructure in remote areas. The plan should ensure it provides opportunities for local employment and businesses.

B) Discussing the benefits of non-motorised active transport for large remote communities should be considered. Best-in-class pedestrian and cycling transport infrastructure exists in the Northern Territory. Actively promoting these forms of transport and expanding the urban networks with improved multi-modal connections (parking facilities corresponding to public transport stops and strategic planning for agglomeration hot spots) would have strong multiplier effects. This includes reduced transport time, reduced transport costs, reduced peak hour congestion, increased access to services, improved health and wellbeing, increased land value and increased sustainability.

Transport services – draft Actions

Draft Action 1 Develop a community transport framework that supports the use of existing services and resources to develop sustainable community driven passenger services to improve linkages between remote communities and towns providing services.

Priority: Very high

We support this action but believe there is a need for an overarching transport services framework focusing on a variety of transport services (such as car-pooling and car sharing services, low-motorised transport community fast recharge stations for larger remote agglomerations).

Draft Action 2 Explore a nationally centralised remote aerodrome administrative, management and service delivery approach, including funding arrangements.

Priority: Low

In the vast majority of remote communities, passenger air and/or maritime services support is economically unsustainable. The support for air and/or maritime infrastructures and services presumes high levels of funding for operational expenditure and has very limited returns in terms of local employment and wider benefits in communities with permanent road access. However, air and/or maritime services are essential in communities experiencing numerous road closures; targeted investments provide better returns when associated with strategic planning objectives in terms of essential service provision (with associated higher priorities in terms of regional management).

Draft Action 3 Implement plans to maximise employment and economic opportunities for local communities through transport infrastructure construction and maintenance projects and passenger and freight service provision.

Priority: Very high

At present, employment and economic opportunities for local communities are low. This is an area that requires innovative solutions and commitment. We strongly support the development of plans that will provide employment and economic opportunities at the local level. Based on our research, Ninti One can assist in providing advice to develop suitable plans to boost economic participation in remote communities.

Draft Action 5 Recommend to Telecommunications Ministers that a telecommunication plan based on key freight routes be developed for remote and regional Australia.

Priority: Very high

We strongly support this action. However, we believe it should be part of a broader telecommunications strategy for remote Australia. Indeed, remote Australia remains largely disconnected from the digital revolution due to a lack of adequate infrastructure and affordable and reliable services, and, for most, poor digital literacy. Ninti One is a founding member of the Broadband for the Bush Alliance (B4BA), which has a growing membership of organisations that are committed to the digital inclusion of remote and rural Australia. B4BA is calling for a targeted and

well-resourced Remote Telecommunications Strategy (RTS) to ensure that remote Australians are not left behind. An RTS requires a multi-prong approach that addresses mobile coverage, appropriate infrastructure, pricing and digital literacy issues. Ninti One has expertise and capacity to work on the development of an appropriate RTS. More information about our work through the B4BA can be found at www.broadbandforthebush.com.au.

Additional Action to be considered

We believe there is a need for cross-jurisdiction collaboration for transport services. The remote public transport industry is highly fragmented regionally and performs poorly in comparison with other areas in Australia and internationally. About half of the 1,200 remote communities do not have access to public transport services. People living in border regions of States and Territories are also more often left marginalised from public transport access. Our research suggests that around 30% of the population living in isolated remote communities would like to see services to destinations other than just the nearest service centre. Furthermore, the average frequency is often limited to a weekly service in the communities that have access to public transport. These standards are equivalent to those in underdeveloped regions in Asia and Africa. Services are not integrated with each other. For example, there are no connection routes from the three operators in central Australia, no timetable integration and no interchange facilities. The only national operator to provide some services to some remote communities is the Greyhound bus.

Transport regulation – draft Actions

Draft Action 1 Adopt more flexible risked-based regulatory approaches that aim to achieve consistency in access and operating conditions across borders, and reduce regulatory burden in remote and regional areas.

Priority: Very high

There is a need for cross-jurisdiction collaboration for transport projects other than transport infrastructures at different governmental levels. A framework with a leading organisation (combining different state and territory departments of transport, and other independent expert organisations) facilitating the cooperation between a variety of stakeholder for remote Australian transports could be considered.

Additional Actions to be considered

A) We suggest a review of registration concessions should be undertaken to include concessions for remote residents. Our research findings suggest that up to 40% of vehicles are not registered in Central Australian very remote communities. Registration concessions exist in every state and territory for pensioners and people with disability support. South Australia is the only state that provides a 50% concession reduction for people living in very remote areas. Extending the DriveSafe NT – Driver Licensing Program (NT) (mentioned on p. 10 of the draft strategy report) to registration access with specific discounts or incentives would have a particularly good prospect of decreasing driving-related offence rates (up to 35% of charges are related to a driving offence for Aboriginal and Torres Strait Islander people living in the Northern Territory).

B) Concession levels for public transport should be reviewed at regional scales. In remote areas, concession levels when available are between 8% and 12% (i.e. Centre Bush Bus in Central Australia). By comparison, in urban areas, concessions are typically around 50%. In the urban areas of the Northern Territory, concessions are between 66.65% and 71.5%. Commonly, public buses and trains receive around 50% of public subsidy. Our research indicates that a vast majority of Aboriginal and Torres Strait Islander people see high public transport fares as a barrier to mobility. In Central Australia, 85% of users are women, young adults and children.

C) Capping or discounting fuel prices in remote Australia could positively rebalance mobility practices and increase the economic viability of petrol stations in remote areas and result in more resilient community businesses involved in fuel distribution. Our research shows that household expenditure on fuel represents between 5% and 15% of average household incomes in very remote communities as opposed to 4.1% nationally. Despite average vehicle occupancy being three times higher in very remote communities, the average household fuel expenditure is about 20% higher because of both high fuel prices (30–70% higher) and long driving distances. In our recent Transport Futures survey, we found that 62% of the respondents declared that high fuel costs were a major transport issue. Very remote communities are obviously disadvantaged by both high supply chain costs of fuel distribution and high retailer profit margins, further increasing fuel costs as well as the current fuel excise system (the fuel excise corresponds to 38.5% of the overall cost and a 10–20% proportional increase of the fuel prices in very remote communities).

D) With the National Disability Insurance Scheme (NDIS), develop strategies to increase access to specialised transport services. Our research shows that 80% of people with disability / low mobility in remote communities have no access to transport.

E) Emission reduction strategies should be explored. Indeed, emissions associated with road transport alone represent 15% of the total greenhouse gas emissions in Australia. People living in remote Australia have the largest transport-related greenhouse gas emission per person in the world.

Contact

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