



# Submission: SA 2020–2021 state budget

**March 2020**



SA's largest  
membership organisation

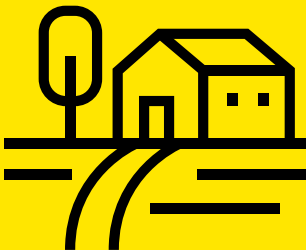


Established  
in September  
**1903**

Now with over  
**750k**  
members



**20%**  
of members  
live in  
regional SA



**Most SA  
drivers**  
are RAA  
members



More than  
**1000**  
staff employed  
across SA





**Largest**  
personal lines  
insurer in SA

**500+**  
businesses  
accredited through  
RAA's Approved  
Repairer network



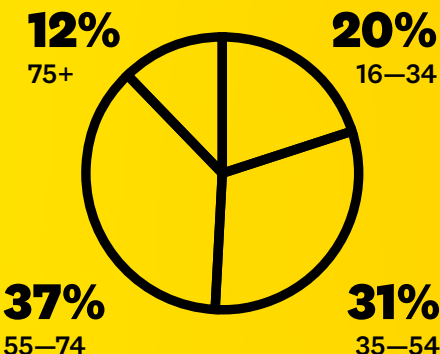
**18 retail  
shops**  
- including ten  
in regional SA



**52%**  
  
**48%**  


Just over half  
our members  
are women...

...and our  
members  
span all adult  
age groups



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## Background

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RAA is South Australia's largest member organisation, representing more than 750,000 South Australians (around half the state). Through our diverse range of motor, home and travel products and services, we interact with our members in a range of ways that provide unique insight into the services and public policy settings South Australians want and need.

RAA has had a trusted advocacy role in transport and mobility for more than 115 years and we have been providing South Australians with travel services (ranging from holiday planning and bookings to travel insurance and international driving permits) for more than 50 years. This means we have an expert understanding of South Australia's transport and travel infrastructure requirements. We ensure our advocacy is evidence-based by consulting with industry, government and our members and by utilising open source data and our own research to develop and test our recommendations.

The state budget provides an opportunity each year for the State Government to ensure its revenue and expenditure plans deliver growth and prosperity for South Australia. RAA has developed this submission to highlight key areas related to mobility, energy and the visitor economy where additional investment can help to deliver this growth and prosperity.

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<sup>1</sup> <https://www.growthstate.sa.gov.au/sectors>

## Challenges and Opportunities

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The State Government's ambition to deliver a state budget surplus for 2019-2020 has come under pressure from reduced Commonwealth funding to South Australia and from the impact of the bushfires on Kangaroo Island, in the Adelaide Hills and in multiple other parts of regional South Australia. As a home insurer, RAA has seen the immediate impact of the bushfires on residents, businesses and communities that have suffered personal and economic losses. As a travel agent, we are aware of the ongoing impact of the bushfires on the visitor economy, particularly in regions such as Kangaroo Island that are heavily reliant on tourism. The headwinds to South Australia's visitor economy now risk being exacerbated by restrictions on Chinese tourist and student visitors required to stop the spread of the coronavirus (COVID-19).

The impact of the bushfires and coronavirus have the potential to derail the South Australian Government's plan for economic growth, and to inflict long-term damage on South Australia's regions. Indeed, tourism and international education comprise two of the nine identified growth sectors for the state economy.<sup>1</sup> RAA commends the State Government for its initial response to these challenges, including the #BookThemOut campaign that turned the bushfires from a reason not to visit affected regions into a reason why these regions should be visited.

The 2020-2021 state budget presents the chance for the State Government to invest in infrastructure and projects, particularly in regional South Australia, that will help to counter and offset the economic damage caused by the bushfires and coronavirus. This should include taking steps to make travel around our regions safer and more efficient. In addition, the 2020-2021 state budget is an opportune time to make further investments in the priority growth sectors of tourism and energy to encourage tourists to visit our regions and by building renewable energy infrastructure that puts our regions at the forefront of the future of energy generation and supply.

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<sup>1</sup> <https://www.growthstate.sa.gov.au/sectors>



## Executive summary

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RAA recognises that there are pressures on the state budget surplus this year, and therefore we are proposing responsible investments that will contribute to the state's immediate and longer-term growth. Some of these initiatives might also be funded through the Australian Government's stimulus package designed to counter the impact of the coronavirus outbreak.

We have structured our submission around four key investment areas, outlined on the following pages, and have linked our recommendations to the government's growth agenda.





## Executive summary *(continued)*

### 1. Safer roads to reduce deaths and injuries

The year 2019 saw a horrific increase in the number of fatalities and serious injuries on roads throughout South Australia; with the number of fatalities increasing from 80 in 2018 to 114 in 2019 and the number of serious injuries increasing from 576 to 766.<sup>2</sup> Most fatalities (61) occurred in rural areas. In addition to the enormous personal impact of road trauma, the economic costs of road trauma in Australia (including loss of life and health, vehicle damage, disability care, health services and travel delay) are estimated at over \$22 billion and the costs to government budgets (including lost taxation, income support and health services) are estimated at nearly \$4 billion.<sup>3</sup> Our health system is under considerable pressure and road trauma unfortunately plays a significant role. It is therefore imperative to invest in safer roads as a key pillar of a safe mobility system that reduces the likelihood and severity of crashes on the network. Research has shown that a person's risk of death or serious injury is approximately halved for each incremental improvement in a road's star rating and that in high income countries there are \$4 of economic benefits for every \$1 invested in safer roads.<sup>4</sup> The regional road network needs particular prioritisation when making these safety improvements, as also advocated for by Infrastructure Australia.<sup>5</sup>

RAA's 2019 Risky Roads campaign received more than 1,300 nominations for South Australian roads or intersections people found confusing, difficult to negotiate or that make them feel unsafe.<sup>6</sup> Regional roads made up six of the top 10 nominated roads and 10 of the top 15. As part of our ongoing road assessments work, RAA also conducted 2019 regional road assessments covering the Limestone Coast and the Yorke Peninsula.<sup>7</sup> Investing in safer roads requires both upgrading dangerous roads to improve their AusRAP safety rating and also providing sufficient funding for road maintenance so that existing infrastructure does not deteriorate to a dangerous condition. The Department for Planning Transport and Infrastructure has identified a renewal backlog across the South Australian network at around \$723 million, which will increase exponentially unless there is an injection of funding to dramatically increase the rate of network remediation.

### 2. A more accessible transport network

Modelling by Infrastructure Australia indicates that the annualised cost of road congestion and public transport crowding in Adelaide was \$1.4 billion in 2016 and will almost double to \$2.6 billion by 2031.<sup>8</sup> This will result in more time spent stuck in traffic and standing on delayed public transport services. There is hence a strong need for the State Government to invest in infrastructure that achieves enhanced accessibility across all forms of mobility, including private vehicles, public transport and active transport.

Beyond our capital city, South Australia is a large state, meaning that lack of accessibility often acts as a barrier to the growth of our regions. Regional areas are currently poorly serviced by public transport, and On-Demand bus services can help to address this issue. Upgrading regional roads to improve safety and reduce travel times can encourage greater travel to and from regional areas. However, this also relies on travel being affordable. High fuel prices are a major cost of living concern for consumers and discourage car use, particularly for longer journeys. Adelaide's fuel cycle presents motorists with the opportunity to save large amounts of money by purchasing petrol at the bottom of the cycle, but only if they have access to reliable and timely information on where and when it will be cheapest.



<sup>2</sup> <https://www.police.sa.gov.au/about-us/traffic-statistics>

<sup>3</sup> Australian Automobile Association (2017) *Cost of road trauma in Australia 2015*, accessed at [https://www.aaa.asn.au/wp-content/uploads/2018/03/AAA-ECON\\_Cost-of-road-trauma-full-report\\_Sep-2017.pdf](https://www.aaa.asn.au/wp-content/uploads/2018/03/AAA-ECON_Cost-of-road-trauma-full-report_Sep-2017.pdf)

<sup>4</sup> <https://www.vaccinesforroads.org/business-case-for-safer-roads/>

<sup>5</sup> Infrastructure Australia (2020) Infrastructure Priority List – Project and Initiative Summaries, accessed at [https://www.infrastructureaustralia.gov.au/sites/default/files/2020-03/2020\\_infrastructure\\_priority\\_list\\_low\\_resolution\\_-\\_updated.pdf](https://www.infrastructureaustralia.gov.au/sites/default/files/2020-03/2020_infrastructure_priority_list_low_resolution_-_updated.pdf)

<sup>6</sup> <https://our.raa.com.au/about-raa/risky-roads>

<sup>7</sup> <https://www.raa.com.au/motor/safety-and-advice/road-safety/road-assessments>

<sup>8</sup> Infrastructure Australia (2019) Urban Transport Crowding and Congestion, accessed at <https://www.infrastructureaustralia.gov.au/publications/urban-transport-crowding-and-congestion>

### 3. Sustainable energy and transport networks

South Australia's climate provides opportunities for establishing renewable energy infrastructure, which may offer a key growth industry for regional areas. South Australia has already been proactive in the implementation of renewable energy and has one of the highest percentage mixes of renewable energy in the country. This progression needs to continue as part of energy's designation as a growth sector for the state economy, and the current government's target of achieving net 100% renewable energy by 2030 must be delivered.



The State Government's Hydrogen Action Plan released in September 2019 and the establishment of the Australian Hydrogen Centre at Tonsley Innovation District are important steps in this process. There is also a need to prepare South Australia for the future of mobility and to stimulate the expansion of the hi-tech growth sector by supporting the uptake of electric vehicles, improving telecommunications connectivity along transport corridors and investigating intelligent transport systems technology.

### 4. Support South Australia's visitor economy

South Australia's visitor economy is now valued at over \$7.8bn, with 44% of this expenditure in the state's regions and growth of 13% in the past year.<sup>9</sup> This brings new money into South Australia. However, South Australia remains under-represented in its market share of visitor expenditure, which outlines its potential to be a growth sector for the state economy: South Australia accounts for 6.9% of the Australian population, yet only receives 5.7% of Australia's visitor expenditure and just 3.6% of Australia's international visitor expenditure. Tourism and international education play important complementary roles within the visitor economy: international students often choose to travel around the state they are studying in, and also may receive visits from friends and family. Further, a person's willingness to study in an international location will depend partly on the reputation of that location, which can be boosted by tourism marketing and by having previously visited that location as a tourist. Similarly, tourism can also help strengthen, and is strengthened by, the food, wine and agribusiness and creative industries priority growth sectors.



The tourism industry is highly competitive, and so to grow South Australia's market share the State Government needs to actively promote the state to potential domestic and international leisure and business visitors. This is particularly important given lost visitor expenditure as a result of the bushfire and coronavirus, noting that Chinese visitors currently account for a third of all international visitor expenditure.<sup>10</sup> South Australia's market share of visitor expenditure is lower than its market share of visitors, demonstrating the need to also persuade people who do visit South Australia to stay for longer, to visit more places and to spend more money. Whilst marketing activity will play a role in this, it will also require investment in better road and telecommunications infrastructure in regional areas, including better mobile phone coverage, road signage aimed at visitors and electric vehicle charging points.

<sup>9</sup> <https://tourism.sa.gov.au/research-and-statistics/south-australia/south-australian-visitor-economy>

<sup>10</sup> <https://tourism.sa.gov.au/research-and-statistics/south-australia/international-performance>

## Executive summary *(continued)*

### RAA considers the key priorities for the 2020–2021 state budget to be:



#### 1. Safer roads to reduce deaths and injuries

- 1A. Increase **road maintenance funding** to \$160 million, with an additional \$145 million per year in supplementary funding for the first five years in order to eliminate the backlog and a \$20 million arterial road resealing program for the Adelaide metropolitan area.
- 1B. Construct three overtaking lanes on the **Riddoch Highway** between Naracoorte and Keith together with a further two overtaking lanes between Pt McDonald and Mt Gambier.
- 1C. Upgrade the **Spencer Highway** between Minlaton and Maitland together with the Upper Yorke Highway between Kulpara and Maitland as priority works in the Yorke Peninsula region.
- 1D. Implement road safety improvements on the section of **Victor Harbor Road** between Mt Compass and Victor Harbor.
- 1E. Establish a **service pit cover remediation program** to enable sunken covers to be remediated in a timely manner across the network.

#### 2. A more accessible transport network

- 2A. Fund **mandatory real-time fuel pricing** in South Australia.
- 2B. Allocate funding to continue the **On-Demand bus services** in Mount Barker and the Barossa and to trial On-Demand bus services in other regional towns.
- 2C. Establish a **bus shelter fund** to assist councils in providing accessible infrastructure at all identified locations within their respective jurisdictions.
- 2D. Fund an investigation into the **extension of passenger train services from Gawler to Roseworthy** to serve the St Yves development.
- 2E. Develop a corridor management plan for **Main North Road** between Gepps Cross and the Grove Way and prioritise widening the section between Montague Road and Kings Road to provide three lanes of travel in both directions.
- 2F. Release the study and commit \$1 million to progress solutions to address **Marion Road/Cross Road/ANZAC Highway** congestion.





### 3. Sustainable energy and transport networks

- 3A. Support **electric vehicles** entering the South Australian market through: government Fleet SA purchases; encouraging private sector purchases; and considering electric vehicles for public transport.
- 3B. Upgrade **Dukes Highway** to accommodate autonomous freight transport and connected vehicle technology.
- 3C. Ensure a consistent level of reliable **mobile data coverage along the state's transport corridors**.
- 3D. Investigate the implementation of **intelligent transport systems** (ITS) technology in the road system.
- 3E. Explore reliable **renewable energy** opportunities for the state, including energy storage facilities and other grid firming infrastructure.
- 3F. Explore opportunities for establishing a **hydrogen manufacturing industry** in South Australia, including investment in hydrogen refuelling stations and hydrogen vehicle trials.



### 4. Support South Australia's visitor economy

- 4A. Provide an injection of funds to the **SA Tourism Commission's marketing and operating budget** and exempt the Commission from efficiency dividends until the current global coronavirus outbreak is contained.
- 4B. Inject more funding into the **Adelaide Convention Bureau** to bring additional business events to South Australia.
- 4C. Facilitate future travel to regional South Australia by investing in a network of **fast charging points** across the state.
- 4D. Invest \$1 million to support improved **information signage for regional tourist spots** that encourages visitors to stay longer and experience more of SA.
- 4E. Improve **mobile data coverage in regional South Australia**, particularly in tourist locations.

# 1. Safer roads to reduce deaths and injuries

## Recommendation 1A:

Increase road maintenance funding to \$160 million, with an additional \$145 million per year in supplementary funding for the first five years in order to eliminate the backlog and a \$20 million arterial road resealing program for the Adelaide metropolitan area.

**Growth sectors:** TOURISM FOOD, WINE & AGRIBUSINESS

Infrastructure Australia recently identified a national road maintenance strategy as a high priority initiative to address the road maintenance backlog across local, state and national roads, requiring action from state governments to prioritise and fix roads in poor condition.<sup>11</sup> An ageing road network has serious long-term cost implications if not addressed. It is evident that many South Australian roads, in both metropolitan and regional areas, are in need of further investment to maintain safety and prevent further degradation and thereby improve the road user experience for locals, visitors and freight services. The Department for Planning Transport and Infrastructure has identified a renewal backlog across the South Australian network at around \$723 million. This is corroborated by our assessment of the network and feedback both from our members and the broader community on the condition and usability of the road network. We obtain this feedback through RAA's ongoing Report-a Road program and the recently conducted Risky Roads campaign which provides an opportunity for everyone to raise issues they have with a particular road or intersection.

The most common issues we receive feedback on relate to the general condition of the road surface. The safety of vulnerable road users is compromised by poor road surface conditions and localised pavement failures. A current priority in regional South Australia is the Spencer Highway between Minlaton and Maitland together with the Upper Yorke Highway between Kulpara and Maitland (see separate recommendation). Roads that have been identified consistently in the metropolitan area include Brighton Road, sections of Fullarton Road, Greenhill Road, Sir Donald Bradman Drive and the Port River Expressway. Given the volume and type of traffic these roads carry, it is important they be maintained to a good standard, which includes the timely resealing of sections.

There is an opportunity to invest in road maintenance works to stimulate the state's economy relatively quickly (particularly in regional areas). Unlike larger transport infrastructure projects, maintenance work is able to be rolled out promptly across the state without major planning/feasibility work needing to be completed.

RAA called for road maintenance funding to be increased to \$149 million in the 2019-2020 state budget from \$127 million in the 2018-2019 state budget. Whilst it is recognised that many of the infrastructure projects announced in the 2019-2020 budget will address some of the issues on key corridors that could be deemed maintenance, road maintenance funding itself was reduced to \$110 million in the 2019-2020 budget. RAA is concerned that \$110 million falls a long way short of what is needed to address the \$723 million backlog of maintenance works required, including resealing of key routes.

RAA is calling for the road maintenance program to be increased to \$160 million together with an additional \$145 million per year in supplementary funding for the first five years in order to eliminate the backlog. This will put the road network on a much healthier footing, and provide good opportunities for local businesses such as South Australian civil engineering companies to bid for work. RAA also calls the establishment of an appropriately funded arterial road reseal program with approximately \$20 million to ensure key routes are maintained to standard that ensures their longevity and the safety of all road users. To provide additional transparency, we recommend that 'Roads maintenance funding' should be recorded as a line item in the state budget so there is visibility around this important spend.

<sup>11</sup> Infrastructure Australia (2020) Infrastructure Priority List – Project and Initiative Summaries, accessed at [https://www.infrastructureaustralia.gov.au/sites/default/files/2020-03/2020\\_infrastructure\\_priority\\_list\\_low\\_resolution\\_-\\_updated.pdf](https://www.infrastructureaustralia.gov.au/sites/default/files/2020-03/2020_infrastructure_priority_list_low_resolution_-_updated.pdf)



**Recommendation 1B:**

Construct three overtaking lanes on the Riddoch Highway between Naracoorte and Keith together with a further two overtaking lanes between Pt McDonald and Mt Gambier.

**Growth sectors:** TOURISM

FOOD, WINE & AGRIBUSINESS

Riddoch Highway is the primary route for b-triple and road train movements in the state's south-east, providing access to Victoria via Mount Gambier (the Princes Highway only allows b-triple and road trains between Kingston and Tailem Bend, with no link to Mount Gambier). It carries up to 4,100 vehicles per day, with 25% of this total comprising heavy vehicles.

RAA has previously called for the highway to be included as part of the national highway network, given its function as a key connection to the south-east of the State. This recommendation is yet to be adopted by the Federal Government.

RAA has also called for the construction of a number of overtaking lanes, namely two in each direction between Naracoorte and Keith with a further two between Port Macdonnell and Mt Gambier. The investment on this corridor in recent years is welcomed with the completion of shoulder sealing together with the construction of two overtaking lanes between Penola and Naracoorte, and the imminent construction of one lane for southbound traffic between Naracoorte and Keith. These are important contributions to improving safety and efficiency on this important route.

However, the construction of an additional overtaking lane for southbound traffic between Naracoorte and Keith and two for northbound traffic is considered important and has not been addressed. We are therefore calling upon further investment of \$10 million to provide the remaining overtaking lanes between Naracoorte and Keith together with a further two overtaking lanes between Port Macdonnell and Mt Gambier.

**Recommendation 1C:**

Upgrade the Spencer Highway between Minlaton and Maitland together with the Upper Yorke Highway between Kulpara and Maitland as priority works in the Yorke Peninsula region.

**Growth sectors:** TOURISM

Spencer Highway, particularly between Maitland and Minlaton, is in very poor condition with narrow section cross section (typically less than 6.0m), no edge lines and no sealed shoulders. Upper Yorke Highway is in very poor condition between Kulpara and Maitland and also has narrow travel lanes in each direction.

Both of these highways were identified in RAA's Yorke Peninsula road assessment in 2014 and have been identified in the top ten regional roads in the 2019 Risky Roads survey. Work on both of these roads is required including pavement remediation and widening to a minimum of 3.2 metres together with the installation of sealed shoulders. While an overall regional road investment plan for this area is required, it is considered that, given the current condition of these roads, they should be upgraded as a priority.

## 1. Safer roads to reduce deaths and injuries *(continued)*

### **Recommendation 1D:**

Implement road safety improvements on the section of Victor Harbor Road between Mt Compass and Victor Harbor.

**Growth sectors:** TOURISM

RAA welcomes the investment to date in the important Victor Harbor Road corridor, notably the grade separation of the intersection at McLaren Vale and the installation of the central wire rope barrier system on Willunga Hill. The proposed duplication of the road between Main South Road and the turn off to McLaren Vale, as identified in the State's Integrated Transport and Land Use Plan is also welcomed, given the high volume of traffic that uses this section daily. It is noted that, while ITLUP identifies further duplication to Mt Compass, the necessity for this is not considered as urgent as other sections of the corridor.

Of more concern is the high crash rate south of Mt Compass, with head-on crashes of particular concern. This section is characterised by its many bends and limited overtaking opportunities. Between 2014 and 2018, there have been 105 crashes recorded on the 20km section from Mt Compass to Victor Harbour. The crash rate is four times higher than for the section from McLaren Vale to Mt Compass. To improve road safety outcomes, as a minimum, the section of the route needs to be widened between Mount Compass and Victor Harbor to accommodate a wide centre line and wire rope barrier to physically separate vehicles travelling in opposite directions.

### **Recommendation 1E:**

Establish a service pit cover remediation program to enable sunken covers to be remediated in a timely manner across the network.

The number and severity of sunken service pit covers continues to be one of the most frequent criticisms of the road network in the metropolitan area, together with the time taken to remediate sites.

Timely intervention not only reduces the extent of damage to the surrounding road but importantly improves safety for motorcyclists and scooter riders: these road users currently risk losing stability when riding over some covers as it is not always possible to safely ride around them. While there has been work undertaken to repair and upgrade covers at some locations, the rate of remediation is slow.

RAA has assisted authorities by undertaking assessments of the metropolitan road network to identify covers that have substantially sunk. This information is provided to the service authorities to assist in coordinated remediation on key routes. While this information has assisted the process, it is evident that resources are insufficient to enable these to be addressed within a reasonable timeframe. RAA is therefore calling for a service pit cover remediation program to be funded with \$1 million to enable sunken covers to be remediated in a timely manner across the network.



## 2. A more accessible transport network

### Recommendation 2A:

Fund mandatory real-time fuel pricing in South Australia.

**Growth sectors:** ENERGY & MINING TOURISM

The State Government has asked the Productivity Commission to investigate various policy models regarding the transparency of fuel prices across the state. The cost of setting up the technology and systems to facilitate the FuelWatch Scheme in NSW was around \$600,000,<sup>12</sup> but there may be cost savings available to the South Australian Government by collaborating with its NSW counterparts around implementing a version of their database.

Fuel prices are a major cost of living concern for consumers in South Australia, with high fuel prices acting as a barrier to travel, particularly given the vast distances between different parts of our state. Petrol prices in Adelaide (and in many other major Australian cities) conform to a price cycle. In these cycles, prices go down for a period and are then followed by a sharp increase back up. If motorists do not have adequate information to understand and anticipate these cycles, they can fail to take advantage of lower prices at the bottom of the cycle. The ACCC has estimated that closing the fuel price information gap for motorists could result in annual savings between \$30-75m per year for Adelaide motorists.<sup>13</sup> RAA member surveys show that savings on the cost of fuel have the potential to be redirected into other parts of the economy, including vehicle maintenance, tourism, healthcare and other household goods, as we know that motorists are delaying or foregoing household spending due to the cost of fuel.

To close the fuel price information gap, RAA advocates for mandatory real-time fuel pricing, where service stations must provide real-time prices for their fuel to the state government, which can then be published on websites and apps. In late 2019 RAA surveyed its membership on this issue - with 97% of respondents supporting the introduction of real-time fuel pricing, indicating there is significant demand for more comprehensive information in the market. Real-time fuel pricing is already in place in NSW and WA, and Qld is currently running a two-year trial of real-time fuel pricing under its fair trading laws. A regulatory impact assessment conducted prior to the trial found that the impost on operators is around five minutes for all fuel types combined per price change. We understand that since the trial commenced there has been around a 30% increase in the usage of price monitoring apps, that there are now more 'cheap days' in Brisbane's fuel price cycle and that Brisbane prices have been positively impacted by the trial.

<sup>12</sup> ACT Select Committee on Fuel Pricing (2019) Report on Inquiry into ACT Fuel Pricing, accessed at [https://www.parliament.act.gov.au/\\_data/assets/pdf\\_file/0019/1416241/9th-Report-on-Inquiry-into-ACT-Fuel-Pricing.pdf](https://www.parliament.act.gov.au/_data/assets/pdf_file/0019/1416241/9th-Report-on-Inquiry-into-ACT-Fuel-Pricing.pdf)

<sup>13</sup> Australian Competition & Consumer Commission (2018) Petrol Price Cycles in Australia, accessed at <https://www.accc.gov.au/system/files/ACCC%20Petrol%20price%20cycles%20in%20Australia—December%202018.pdf>

## 2. A more accessible transport network *(continued)*

### Recommendation 2B:

Allocate funding to continue the On-Demand bus services in Mount Barker and the Barossa and to trial On-Demand bus services in other regional towns.

**Growth sectors:** HI-TECH TOURISM

Regional South Australian towns are typically poorly serviced by public transport, with low patronage meaning frequent, reliable services are costly to deliver. This limits transport options for those who either cannot or do not wish to travel using their own vehicle. In January 2020, South Australia began its first On-Demand bus trial. This enables passengers to use the Keoride app to order a bus, when and where they need it, to take them anywhere within the service area. The current six-month trial is taking place in Mount Barker and the Barossa, and demand in the first four weeks substantially exceeded expectations: there were over 3,000 rides in Mount Barker and over 500 rides in the Barossa.<sup>14</sup> Given rider satisfaction has been very high, patronage is likely to continue to increase over time as awareness of the services increases.

On the premise that the Mount Barker and Barossa trial continues to be successful, funding should be allocated to make these On-Demand bus services permanent. Furthermore, the State Government should look to roll out On-Demand bus service trials in other regional towns based on the learnings from the initial trial.

### Recommendation 2C:

Establish a bus shelter fund to assist councils in providing accessible infrastructure at all identified locations within their respective jurisdictions.

**Growth sectors:** HI-TECH

Safe, accessible protection from the elements while waiting for transport is essential, particularly on those routes where waiting times can be longer due to infrequency of services. Improved amenity for

public transport patrons and accessibility to services is a key part of encouraging and maintaining public transport patronage. This is reflected in the provision of accessible infrastructure and shelters being one of the key recommendations of the Adelaide Hills - Fleurieu Peninsula Regional Public Transport Study prepared for the Regional Development Authority.

In order to meet the requirements of the Federal Government's Disability Standards for Accessible Public Transport Guidelines 2002, councils have in many cases established an annual program to upgrade all bus stops throughout their respective areas. However, there are often delays in the provision of this important infrastructure due to the limited resources of some councils together with the substantial cost involved (particularly at sites with service and infrastructure issues). It is therefore proposed that a bus shelter fund be established with an annual amount of \$2 million to assist councils in providing suitable infrastructure in a timely manner for all identified public transport locations within their respective jurisdictions. Longer term, the provision of real-time journey information needs to be incorporated into these shelters to encourage greater patronage of public transport, particularly for those with sensory impairments or who are not able to use apps.

### Recommendation 2D:

Fund an investigation into the extension of passenger train services from Gawler to Roseworthy to serve the St Yves development.

The \$2.4 billion St Yves development in Roseworthy is predicted to attract more than 2,000 people in 800 residences and include a retail hub, football field and a \$30 million Trinity College campus. This estate is the first part of a development that could include up to 4,400 homes between Hewett and Roseworthy.

RAA supports investment in public transport infrastructure and services for new developments to reduce dependence on private vehicle usage and public buses that place pressure on existing road corridors. While it is noted that a cycling network will be extended

<sup>14</sup> <https://www.premier.sa.gov.au/news/media-releases/news/on-demand-bus-services-in-massive-demand>



to provide a connection to Gawler, this option is unlikely to meet the needs of all potential residents or visitors to the area. New residential developments such as St Yves should therefore include provision for non-road based public transport as part of the design. RAA is concerned that, without investment, future developments could suffer from the same issues experienced by the residents of Mount Barker, who do not have passenger rail access to the city and are totally reliant on road-based transport.

Gawler currently represents the end of the line for passenger train services. With the recent announcement of the St Yves development in Roseworthy, RAA is calling for \$1 million in the 2020-2021 State Budget to fund an investigation into the extension of passenger train services from Gawler to Roseworthy, either as part of the current Gawler rail electrification project or as a separate project.

### **Recommendation 2E:**

Develop a corridor management plan for Main North Road between Gepps Cross and the Grove Way and prioritise widening the section between Montague Road and Kings Road to provide three lanes of travel in both directions.

The section of Main North Road between Gepps Cross and the Grove Way is a source of concern for motorists due to the high volume of traffic, particularly the section between Montague Road, Pooraka and Kings Road, Parafield which currently carries 52,000 vehicles per day. While most intersections have been upgraded to provide three through lanes on the approach and departure of the signalised intersections on this route, these are not continuous resulting in constant merging with consequent impact on mid-block traffic flow.

A project to upgrade the intersection of Main North Road, Kings and McIntyre Roads was announced in the 2019-2020 State Budget to improve safety and reduce delays at this location. However, the full benefit of this investment will not be realised without a corresponding upgrade of the mid-block sections to provide three lanes of traffic between intersections.

RAA is therefore calling for \$20 million to be allocated to develop a corridor management plan for the section of Main North Road between Gepps Cross and the Grove Way to be developed to meet current and future needs of this corridor. A priority should be widening of the section of Main North Road between Montague Road and the intersection with Kings Road to provide three lanes of travel in both directions in conjunction with the upgrade of the intersection at Kings Road. This will improve traffic flow through better lane utilisation and ensure that full benefit is derived from the upgrade of the intersection of Main North Road with Kings and McIntyre Roads.

### **Recommendation 2F:**

Release the study and commit \$1 million to progress solutions to address Marion Road/Cross Road/ANZAC Highway congestion.

The planning study to investigate options to address delays at the section of Marion Road between the intersection of ANZAC Highway and Cross Road, including grade separation, was scheduled for release in 2019. To date this has not occurred.

The frequent activation of the tram level crossing significantly impacts traffic on both Marion Road and Cross Road, increasing delays on what is already a very busy section of the corridor, particularly during peak periods. RAA analysis of peak period travel times along Marion Road confirms that average travel speeds are significantly slower over the 10 year period from 2008 to 2018, compared with other corridors.

RAA is therefore calling for the outcomes of the Marion Road planning study to be released and \$1 million in the 2020-2021 State Budget allocated to progress the design of the recommended solutions to improve safety and efficiency through this section of this important corridor.

### 3. Sustainable energy and transport networks

#### Recommendation 3A:

Support electric vehicles entering the South Australian market through:

- government Fleet SA purchases
- encouraging private sector purchases
- considering electric vehicles for public transport.

**Growth sectors:** ENERGY & MINING HI-TECH

Sales in Australia of full electric and hybrid plug-in vehicles tripled in 2019, reaching 6,718, and are expected to keep rising. However, they still only represent 0.6% of total sales, a figure which lags behind many other countries.<sup>15</sup> Various reasons have been touted for the relatively slow uptake in Australia, including high purchase costs, lack of government incentives and consumer range anxiety.

There are a range of ways that the State Government can boost the uptake of electric vehicles (EVs) in South Australia, which can expose more drivers to the benefits of EVs, increase the cost-effectiveness of vehicle charging point infrastructure and in the longer term stimulate a second hand market for EVs.

Fleet SA has a fleet of 6,815 passenger and light commercial vehicles that it leases to South Australian Government agencies, statutory authorities and hospitals. Of these vehicles, 79% are petrol or diesel, 21% are hybrid electric and none are full electric.<sup>16</sup> Fleet SA vehicles have a relatively short service life, and so a large proportion of the fleet could fairly quickly be converted to electric vehicles and soon afterwards flow into the second hand market. There is also scope for the government to invest in electric vehicles as part of its public transportation fleet.

Beyond its own fleet, the State Government should create a program that provides incentives for other organisations to introduce EVs into their fleet, for example ride-share companies and taxi operators.

#### Recommendation 3B:

Upgrade Dukes Highway to accommodate autonomous freight transport and connected vehicle technology.

**Growth sectors:** HI-TECH  
FOOD, WINE & AGRIBUSINESS

Dukes Highway provides a vital link between Adelaide and Victoria and is South Australia's busiest regional freight corridor, with most sections carrying over 1,100 commercial vehicles (almost one third of all traffic). The highway also looms as a major strategic route for future autonomous freight operations, which will require at least two lanes in each direction. Dukes Highway is part of the National Highway Network, and so RAA has called for Federal Government funding for a staged duplication of the Dukes Highway between Tailem Bend and the South Australia/Victoria border. This will improve safety and productivity on a road with a poor crash history, and it will also future-proof this corridor for autonomous vehicle trials.

If the Dukes Highway duplication proceeds, there is an opportunity for the State Government to at the same time fund the installation of Vehicle-to-Infrastructure technology. This would allow autonomous and connected freight vehicle trials along this section of highway and could later have a permanent role. This infrastructure could be put in place for approximately \$1.5 million, and there are South Australian technology businesses who would be well placed to win contracts to deliver this work.

<sup>15</sup> <https://www.theguardian.com/environment/2020/feb/06/electric-vehicle-sales-triple-in-australia-as-sales-of-combustion-engine-cars-fall-8>

<sup>16</sup> <https://www.safa.sa.gov.au/fleetsa/fleet-snapshot>

### Recommendation 3C:

Ensure a consistent level of reliable mobile data coverage is maintained along the state's transport corridors.

**Growth sectors:** HI-TECH TOURISM

Investment in telecommunications is required to future-proof the transport network, as it is a fundamental requirement for the advancement of innovative deployments and applications, including the development of autonomous vehicles. Attention must be given to ensuring a consistent level of reliable mobile data coverage is maintained along our transport corridors, with communications technology incorporated to support safe operation along the route. Mobile blackspots along transport corridors need to be identified, and while preference should be given to ensuring a consistent mobile network, conventional telecommunications should be considered where this cannot be achieved. It is important to consider improvements in technology that could assist with incident prevention/management communications.

The federally funded Mobile Black Spot Program is not primarily orientated at providing continuous high-speed connectivity along highways. At present, there is no Telstra 4G mobile coverage: on the Dukes Highway between Tintinara and Bordertown; on the Riddoch Highway between Keith and the Desert Camp Conservation Reserve; on the Sturt Highway between Brookfield Conservation Park and Good Hope Landing; or on the Barrier Highway between Whyte Yarcowie and Olary.<sup>17</sup> Moreover, there is no Telstra mobile coverage at all on the Stuart Highway north of Woomera (except for in the Coober Pedy area) or on the Eyre Highway west of Karcultaby (except for in the Ceduna area). It is likely that 5G mobile coverage will ultimately be needed to support the large-scale adoption of autonomous vehicles so, as new technology begins to be trialled, it is important to ensure vehicles on the state's transport corridors can continuously connect with at least 4G networks.

### Recommendation 3D:

Investigate the implementation of intelligent transport systems (ITS) technology in the road system.

**Growth sectors:** HI-TECH

Uptake of intelligent transport systems (ITS) technology in the road system is essential for the efficient use of existing infrastructure. Specific projects to consider include:

- The use of 'vehicle to everything' (V2X) technologies for creating green wave traffic conditioning, especially on significant areas of the road network such as the Adelaide CBD inner ring route.
- Expansion of the AddInsight system to provide live updates for satnav directions or variable speed changes. The government should leverage the expertise of local leaders in this area (e.g. Cohda Wireless and SAGE Automation). AddInsight data can also assist in managing better traffic flow and traffic light management and provide smart route calculation around the CBD for drivers.
- Support for infrastructure to enable the operation of 5G communication technology for the development of ITS and connected car technology.

<sup>17</sup> <https://www.telstrawholesale.com.au/products/mobiles/coverage.html>



### 3. Sustainable energy and transport networks *(continued)*

#### Recommendation 3E:

Explore reliable renewable energy opportunities for the state, including energy storage facilities and other grid firming infrastructure.

**Growth sectors:** ENERGY & MINING

There are a range of renewable energy generation methods such as floating and terrestrial solar photovoltaic, concentrated solar thermal, ocean and terrestrial wind power, and wave power, which can take advantage of the abundance of natural resources available in South Australia.

Managing demand on current infrastructure and supporting reliable renewable energy for the state will depend on energy storage facilities and other grid firming infrastructure. More of these projects, such as pumped hydro, compressed air energy storage, large scale battery, molten salt and other gravitational potential methods are required. The state government's \$50 million Grid Scale Storage Fund is a step in the right direction, and whilst the total amount of storage required is unknown, securing more storage is critical. Complementary infrastructure such as synchronous condensers, whilst costly, will also benefit the increased adoption of renewable energy.

#### Recommendation 3F:

Explore opportunities for establishing a hydrogen manufacturing industry in South Australia, including investment in hydrogen refuelling stations and hydrogen vehicle trials.

**Growth sectors:** ENERGY & MINING

Hydrogen manufacture and use as a fuel has potential economic, environmental, health and energy security benefits for South Australia. Establishing a hydrogen generation industry would complement the already thriving renewable energy industry in the state, providing a clean source of hydrogen for sale and grid firming characteristics. RAA supports recent papers produced by CSIRO (The National Hydrogen Roadmap, 2018), the South Australian Government (The South Australian Green Hydrogen Study, 2017), and the COAG Energy Council (Hydrogen for Australia's Future, 2018) which provide significant detail on how investment into hydrogen infrastructure could proceed. We also congratulate the South Australian Government on its Hydrogen Action Plan released in September 2019 and on the establishment of the Australian Hydrogen Centre at Tonsley Innovation District. We look forward to seeing the detail on how the hydrogen vehicle refuelling infrastructure is to be rolled out.

In the short term, investment in a small number of hydrogen refuelling stations and participation by government in hydrogen vehicle trials (including buses and waste collection vehicles, which are well suited being returned to base fleet), will introduce the technology to South Australia and provide learnings about its use in transport.

## 4. Support South Australia’s visitor economy

### Recommendation 4A:

Provide an injection of funds to the SA Tourism Commission’s marketing and operating budget and exempt the Commission from efficiency dividends until the current global coronavirus outbreak is contained.

**Growth sectors:** FOOD, WINE & AGRIBUSINESS TOURISM CREATIVE INDUSTRIES

In the current state budget, the SA Tourism Commission received: approximately \$35 million to market South Australia to local, interstate and international audiences; approximately \$43 million to develop, attract, manage and grow events, conferences and festivals; and approximately \$7 million to build tourism capability in South Australia. The \$86 million total 2019-20 budget was \$7 million lower than the amount spent in 2017-18.<sup>18</sup>

In response to the bushfires, the South Australian Government authorised an additional \$1 million for the #BookThemOut campaign, which encouraged South Australians to spend money in bushfire affected communities and generated a large volume of enquiries for tourism operators. There is a need to now build on this excellent campaign to attract international visitors back to South Australia and to replace lost tourism revenue from the Chinese market. In addition, competition for interstate visitors is likely to be stronger than ever as other state governments seek to help their bushfire affected regions to recover and as states compete for Chinese tourism once travel restrictions are lifted.

Destination NSW has a current budget of approximately \$141 million to promote tourism in NSW,<sup>19</sup> Tourism and Events Queensland has a current budget of approximately \$142 million to promote tourism in Qld,<sup>20</sup> and Visit Victoria had an operating revenue of approximately \$105 million for the 2018-19 financial year.<sup>21</sup> RAA recognises that South Australia has a smaller population and GSP than these eastern states. However, in order for South Australia to effectively compete with the larger states and to achieve salience in overseas markets, our investment must be competitive. The Western

Australian Government recognised this point for its own state when its 2019-2020 budget included an additional \$12 million for Tourism Western Australia to promote WA to international holidaymakers.<sup>22</sup>

The SA Tourism Commission is uniquely placed to be able to market South Australia to local, interstate and international audiences. If sufficiently resourced at a time when competition for tourism will be fierce, the SA Tourism Commission can activate tourist markets to assist in boosting visitor numbers, thereby helping the state respond to the bushfire and coronavirus challenges. This is therefore an opportune time to inject additional funds into the SA Tourism Commission’s marketing and operating budget and exempt the SA Tourism Commission from an efficiency dividend that would diminish their resources.

<sup>18</sup> [https://statebudget.sa.gov.au/#Budget\\_Papers](https://statebudget.sa.gov.au/#Budget_Papers)

<sup>19</sup> <https://www.budget.nsw.gov.au/nsw-budget-2019-20-budget-papers>

<sup>20</sup> <https://budget.qld.gov.au/budget-papers/#budget-paper-5>

<sup>21</sup> <https://corporate.visitvictoria.com/about/performance-publications>

<sup>22</sup> <https://www.mediastatements.wa.gov.au/Pages/McGowan/2019/03/12-million-dollar-boost-to-promote-WA-to-international-holiday-makers.aspx>

## 4. Support South Australia’s visitor economy *(continued)*

### Recommendation 4B:

Inject more funding to the Adelaide Convention Bureau to bring additional business events to South Australia.

**Growth sectors:** TOURISM  
FOOD, WINE & AGRIBUSINESS

The Adelaide Convention Bureau plays a vital role in assisting convention and event organisers to bring business events to Adelaide, and thereby increasing economic activity. It counts nearly 200 venues and suppliers as members and in 2018-19 it delivered 154 business events attended by 50,000 business delegates, providing an economic benefit of \$260 million.<sup>23</sup> A third of this economic benefit came from securing three Asian corporate incentive groups to Adelaide. Business events form a valuable part of the visitor economy, with a high level of expenditure per visitor and the potential to leave a lasting legacy for the industry aligned to the event.

RAA believes there is an opportunity to further grow the lucrative business events market, and to counter a potential downturn caused by the short-term loss of Chinese business visitors. We therefore call for more funding to the Adelaide Convention Bureau for attracting business events. This money could be used to drive a concentrated focus on bringing more Asian corporate incentive groups to Adelaide and in securing small to medium national business events (100 to 300pax). It has the potential to generate additional economic activity for the state in the order of \$100-200 million.

### Recommendation 4C:

Facilitate future travel to regional South Australia by investing in a network of fast charging points across the state.

**Growth sectors:** ENERGY & MINING TOURISM  
HI-TECH

South Australia has approximately 80 public charging stations for electric vehicles (EVs), with about half in Adelaide and the other half scattered around regional locations. Due to some South Australian towns being hundreds of kilometres apart, and most electric vehicles having a limited range, it is currently difficult (if not impossible) to efficiently travel across regional South Australia in an electric vehicle. This largely limits use of EVs to short city journeys, creating a barrier to people purchasing EVs and also discouraging those who own an EV from visiting other parts of our state.

RAA believes a comprehensive network of fast chargers with standardised fittings is needed in country towns and along highways. Our view is validated by Infrastructure Australia naming the development of a national electric vehicle fast-charging network as a high priority initiative in its February 2020 *Infrastructure Priority List*. RAA is helping to fund the rollout of charging infrastructure currently being undertaken by Chargefox. This will create a 22-station strong Ultra-Rapid charging network that allows travel between Adelaide, Melbourne, Sydney and Brisbane, with South Australian charging points in Murray Bridge and in Keith. However, there remains a need to roll out fast charging points far more extensively across the state to connect major towns, particularly those where tourism is a significant part of their economy.

<sup>23</sup> <http://www.adelaideconvention.com.au/wp-content/uploads/2014/03/20182019-Annual-Report1.pdf>



**Recommendation 4D:**

Invest \$1 million to support improved information signage for regional tourist spots that encourages visitors to stay longer and experience more of SA.

**Growth sectors:** TOURISM  
FOOD, WINE & AGRIBUSINESS

Whilst smartphones play an increasing role in helping tourist to navigate and decide where to go and what to do, physical signage retains an important role in reassuring motorists and in encouraging them to stop at local attractions and amenities and spend money there. For example, designated tourist drives encourage and facilitate visiting several attractions within the same area. Many parts of the state would benefit from improved signage aimed at visitors that gives clear directions to tourist regions, welcomes visitors when they arrive in a new region or town, and points visitors to local attractions and amenities.

**Recommendation 4E:**

Improve mobile data coverage in regional South Australia, particularly in tourist locations.

**Growth sectors:** TOURISM HI-TECH  
FOOD, WINE & AGRIBUSINESS

Many parts of regional and remote Australia have no, or poor, mobile data coverage, leading to Infrastructure Australia identifying mobile telecommunications coverage in regional and remote areas as a priority initiative in its February 2020 *Infrastructure Priority List*. Tourists increasingly rely on smartphone internet access for navigation, recommendations of where to go and what to do, and to share their experiences on social media. It is therefore crucial that tourists have reliable mobile data coverage both when travelling to tourist attractions and on their arrival. While the Mobile Black Spot Program is federally funded, there is scope for the State Government to provide additional targeted funding in line with the state's priorities. Some of South Australia's premier tourist regions such as the Flinders Ranges and the western part of Kangaroo Island currently have limited mobile coverage,<sup>24</sup> and improving this coverage would provide a timely boost to the visitor economy as the recovery from the bushfires continues.

<sup>24</sup> <https://www.telstrawholesale.com.au/products/mobiles/coverage.html>

