REGIONAL DEVELOPMENT STRATEGY

RAA SUBMISSION

July 2019

Introduction

RAA welcomes the opportunity to provide comment on Primary Industries and Regions South Australia (PIRSA) regional development strategy.

RAA is South Australia's largest member organisation representing the interests of more than 750,000 South Australians, as well as the state's leading mobility advocate. 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 government services and public policy settings South Australians want and need.

A large proportion of RAA's membership and customer base lives and works in regional South Australia, making us well placed to understand the needs of regional South Australians through this consultation process. We routinely survey and engage with our regional members to ensure we can effectively advocate for their needs, particularly around regional transport networks and infrastructure.

RAA welcomes the opportunity to provide comment on PIRSA's regional development strategy. Consistent with PRISA's discussion paper, our submission is categorised under the following themes:

- Service provision;
- Investment in infrastructure; and
- Regional enablers.

Service provision

RAA notes PIRSA's suggestion around wheel and spoke models of service provision for regional areas and supports this model in-principle. Such an approach can provide pragmatic solutions for clustering services outside of metropolitan areas, recognising that not all areas have the critical mass to support all major services. These types of arrangements can also be leveraged to secure funding from various sources for services, e.g. federal, state and local governments coming together to invest in key services, as sufficient scale can justify project/program investments.

While meeting the mobility needs of people living in regional South Australia poses a challenge due to low population density, efficient, flexible and accessible options must be provided to ensure regional residents are connected with health, education and other services.

Given South Australia's ageing population, consideration will also need to be given to accommodation options in regional areas for older residents who wish to downsize or move into care facilities, along with expanding the health services provided to cater for the rising number of patients. Forecasting must include estimates for population, various types of mobility, industrial and economic developments.

The state's regional strategy should also be cognisant of the possibility for technology to connect people with the services they need, such as online learning, medical and mental health consultations via Telehealth, etc. (where appropriate). Ensuring accessibility of high speed internet in rural and regional areas is critical to supporting communities in accessing services remotely.

> **RAA recommends:**
> - The provision of flexible and accessible transport options to ensure regional residents are connected with essential services.
> - The state government work collaboratively and creatively with the federal government and local councils to leverage resources and services for regional and rural South Australians.
> - The state's regional strategy consider technology's role in supporting rural and regional South Australians to access the services they need.

Investment in Infrastructure
Road infrastructure

South Australia's regional strategy needs to consider how transport infrastructure can complement regional economic development and support communities' accessing vital services. The regional strategy should be cognisant of Infrastructure SA's work to ensure a coordinated approach.

It is important that the function of road corridors in existing and potential growth areas are clearly defined to avoid future tensions between residents, businesses and transportation operators. This is essential to ensuring that the current and future transport demands on key corridors are not compromised by short and medium term planning decisions, as road freight reliance is predicted to increase significantly in response to changing consumer purchasing patterns.

Funding, including investment in early planning and securing transport corridors, is needed to help keep pace with the increasing demands placed on South Australia's regional road network. The state's future economic competitiveness is directly linked to the quality of our supply chain infrastructure, more specifically, mine to port viability can often limit external investment and opportunities for growth in regional areas.

Access and connectivity plays a vital role in sustaining economic growth throughout regional areas, and South Australia requires an integrated transportation system incorporating all modes of transport. RAA supports the 'Functional Hierarchy for South Australia's Land Transport Network' (2013) which identifies the role of transport corridors in catering for the various transport modes and users on the transport network, recognising that some corridors will have multiple functions.

Measures undertaken to ensure that future land use incorporates adequate transport infrastructure, alternative transport options, enhance the prosperity of tourist and business areas, and which effectively manage the existing road network should be supported.

RAA also supports an ongoing road assessment program to ensure the state's road network is fit for purpose.

Freight network efficiencies (review of rail network and road assessment program)

Research undertaken by Deloitte Access Economics for the Australasian Railways Association (November 2017) reported a potential increase in road freight kilometres of 88% by 2050, and private vehicle travel by 40%. Greater uptake of the rail network to reduce truck movements would ease congestion on both metropolitan and regional roads. Furthermore, the social benefits of rail transport includes less noise and air pollution, and reduced community concern over the safety risks posed by trucks passing through regional townships.

Bowmans Rail is South Australia's largest independently owned rail and intermodal company, which provides a good example of the benefits which come from combining multiple modes of transport in a centralised facility. The facility provides a specialised rail service that supports shipments of materials in containers to Port Adelaide for export, and the import of materials for projects in Upper Spencer Gulf. Bowmans Rail provides regional agriculture, mining and other sectors with an integrated transport service from place of production to world markets via its rail services and two intermodals. The Bowmans intermodal at Port Augusta provides synchronisation of land transport with the port, thus delivering greater efficiency and cost savings for its stakeholders.

Identifying and developing economies of scale within regional industries should be an essential consideration in any regional development strategy. By minimising production costs, addressing skills shortages and increasing efficiencies within each sector, collaboration between businesses can lead to significant economic benefits. The incorporation of intermodal transport facilities within these business hubs would maximise local supply and demand opportunities, and encourage growth and innovation of existing businesses.

RAA recommends that a state-wide rail assessment be undertaken to identify whether opportunities exist for rail to play a larger role in freight movement across the state, and to identify sections of rail infrastructure that should be retained. If growth opportunities for rail transport are limited, an ongoing program of road assessments must be implemented to ensure the state's road network is fit for purpose.

RAA recommends:
- Identifying economies of scale within regional industries and explore intermodal freight opportunities.
- Undertaking a state-wide rail assessment to identify opportunities for increased use of freight rail transport.
- Implementing an ongoing state-wide road assessment program.

Public transport

Continued investment in passenger transport infrastructure and services throughout South Australia, including increased access for regional residents and capacity on public transport services, will be required to keep up with the needs of a growing population.

The regional transport network should remain flexible, with services delivered according to the current and future needs of regional communities, and be responsive to new mobility opportunities. An agile transport system should facilitate the visitor economy, connecting communities and businesses conveniently, efficiently and safely to regional centres.

At the same time, a program of upgrades to improve the amenity and safety of public transport stops, stations and interchanges is essential.

In 2017/18, patronage on regional bus services decreased by 6%. This followed a 13% decrease in regional bus patronage for the year prior. Decreasing regional bus patronage has, in part, been attributed to cheaper regional airfares, increased access to services/shops in regional towns, online shopping/banking services, and people choosing to use cars for travelling long distances. However, for some residents in regional areas, this is their only mode of transport and the government must work to ensure the viability and continuity of services.

Meeting the mobility needs of people living in regional Australia poses a challenge due to low population density, however efficient and accessible options must be provided to ensure regional residents are connected with health, education and other services.

Driverless buses could provide a viable option to address transport requirements in rural areas, along with providing an alternative community transport option for the elderly and mobility impaired. Connecting smaller towns with larger regional areas through local council networks, localised public transport services, improved road connections, and sufficient supporting infrastructure, such as communication technologies, will help reduce the economic challenges faced by smaller regional towns.

RAA believes community consultation should be undertaken in order to identify barriers to the uptake of regional passenger services. Furthermore, the state government should ensure parity exists between metro and regional fare structures, and provide alternative booking and payment options for people without access to digital platforms.

Transport hubs that bring people to South Australia and generate significant economic activity, such as airports and ports, are also essential considerations in strategic infrastructure planning for regional areas. RAA believes that these hubs should include sufficient provision of public transport options to ensure flexibility and choice for users. The integration of technologies like ride sharing and autonomous vehicles as a means of addressing 'last mile' issues should also be considered where appropriate.

> **RAA recommends:**
> - Providing a transport system which is responsive to the needs of regional residents, businesses and visitors.
> - Exploring opportunities for driverless buses to address public transport needs.
> - Undertaking community consultation to identify barriers to the uptake of regional passenger services.

Community transport

RAA regional road assessment surveys have found that country residents often lack awareness of the community transport options available to them, while those that have used the services regard them as infrequent, inconvenient and often difficult to access. With an increasingly older demographic living in regional centres, these challenges will need to be addressed to facilitate a more efficient community transport system.

Partnerships with local councils and community groups can help address community transport requirements for unmet transport needs. Assessing demand-responsive transport initiatives, including door-to-door and dial-a-ride services, together with technology driven solutions, could provide further alternatives for the public sector, not-for-profits and commercial businesses. In addition to meeting a transport need, community transport initiatives send a positive message to residents that their needs are heard, while also improving access and community engagement.

Active transport

Infrastructure investment in regional areas needs to complement alternative modes of transport to the private vehicle, and achieve enhanced accessibility for all forms of mobility as well as community benefits.

Further investment into active transport corridors can encourage cycling and walking as an appealing and efficient means of transport. Connectivity between public and active transport needs to be further developed to address last mile access issues.

Additional investment in cycling infrastructure should be focussed on delivering separated infrastructure to encourage cycling as a means of commuting, rather than just for recreation. To achieve this, connected cycling infrastructure is essential.

A national approach is required to help make local streets more pedestrian and cycle friendly, and RAA recommends the federal government establish a funding scheme to assist local government to redevelop residential streets to accommodate greater pedestrian and cycling activity, thus reducing reliance on private vehicles for short journeys.

> **RAA recommends:**
> - Investigating demand-responsive transport initiatives such as door-to-door and dial-a-ride services, together with technology driven solutions to meet community transport needs in regional areas.
> - Fostering community partnerships through local councils and other organisations to meet regional residents' needs.
> - Exploring opportunities to develop infrastructure that encourages other forms of mobility, such as cycling and walking for short journeys.

Whyalla case study (Augusta Highway duplication)

Augusta Highway is one of South Australia's busiest regional roads. Forming a vital link to the state's north, more than 4000 vehicles travel this route every day, including cars and heavy freight vehicles such as b-doubles, b-triples and road trains. Considerably more traffic is predicted along Augusta Highway in years to come on the back of Whyalla's forecast population boom, which will put even more pressure on the roadway and further jeopardise the safety of motorists.

Population growth predications forecast a rise from 22,000 to 80,000 in the next 10 to 20 years if GFG Alliance's vision for Whyalla is fully realised. Further infrastructure plans for the area have been released to coincide with the projected growth from the steel works, including a $45 million hotel, a $145 million horticulture development, and a $6 million recycling business.

In the lead up to the 2019 federal election, RAA advocated for the duplication of Augusta Highway between Port Augusta and Port Wakefield, and the federal government has committed $64 million towards the staged duplication of Augusta Highway.

Significant road upgrades are required to make the current infrastructure fit for purpose for an 80,000 strong population, to ensure ease of access and safety for road users. Furthermore, the progression towards higher mass vehicles means that the route will need to be able to accommodate these changes.

While the duplication of the Joy Baluch Bridge at Port Augusta, the grade separation of the Copper Coast and Augusta Highway intersection, together with the duplication of the road through Port Wakefield are welcomed by RAA, the need to continue investment on this corridor to achieve full duplication is essential to meet future regional growth.

Eyre Peninsula case study (regional transport plan)

Across the South Australian regions, Eyre Peninsula has experienced the largest average annual increase in self-drive visitors (7%), with tourism in the region contributing approximately $310 million to the state's economy in 2018. Further pressure will be added to the road network due to the termination of rail services for grain transport in May 2019, resulting in an additional 48 laden truck combinations per day, predominately on the Lincoln and Tod highways.

To safely accommodate a significant increase in freight and visitor traffic, these highways require investment to ensure they are of a suitable standard to cope with a sustained increase in vehicle movements. In addition, there will need to be investment in conjunction with the respective councils to address any local access issues to the grain and loading facilities as a result of increased heavy vehicle traffic.

While RAA welcomes the $125 million commitment to upgrade roads on Eyre Peninsula, it will be at least two years before the work is completed. This means that the consequences of the closure of the rail network earlier this year will not be offset by improvements to the road network until 2020/21. This highlights the importance of future planning and strategic investment to fully capitalise on infrastructure investment.

To properly address the increase in freight and tourism requirements across the region's road network, RAA is calling for the development of a regional transport plan. This would enable the medium and longer term road, sea and rail transport requirements to be identified for future funding to support regional growth.

Longer term planning that involves the relocation of grain handling facilities away from Port Lincoln should include the provision of a standard gauge rail link from any new or upgraded ports facility serving the Eyre Peninsula region. Similarly, any significant mining developments should incorporate rail as the principal means of moving bulk goods to port facilities on the peninsula.

> **RAA recommends:**
> - **C**onnection between the Regional Development Strategy and the work of Infrastructure SA to ensure resources are best utilised.
> - State and local government investment in regional road infrastructure is fit for purpose and supports economic development of the regions.
> - Development of a regional transport plan to identify funding requirements for medium and long-term road, sea and rail projects that are required to support regional growth.

Autonomous vehicles

The evolution of autonomous and zero-emission vehicles has the exciting potential to solve many personal and social issues, by enhancing mobility for children, the elderly and people with disability. Although in its early stages, it is evident that improvements to road infrastructure are required to fully realise the potential of this technology. Future proofing the National Highway Network and bringing it up to a standard to efficiently support new technology is essential.

To help support the uptake of electric vehicles, RAA believes a comprehensive network of fast chargers with standardised fittings is needed in regional towns and along highways. RAA supports the rollout of Chargefox facilities.

Dukes Highway provides a vital link between Adelaide and Victoria and is South Australia's busiest regional freight corridor, with most sections carrying over 1100 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.

> **RAA recommends:**
> - Broader roll out of electric vehicle chargers in regional areas to encourage tourism and provide flexibility and safety for electric vehicle users.
> - Staged duplication of Dukes Highway between Tailem Bend and the South Australian/Victorian border, which will improve freight efficiency, safety, and enable future autonomous freight operations.

Telecommunications providing virtual and real connectivity

If regional businesses are to provide a sustainable economic contribution to their local community, they must have access to telecommunications infrastructure that is fit for purpose. The next generation of agricultural productivity gains will come from innovative applications that help to increase production and/or reduce costs, which requires reliable connectivity in rural areas.

Similarly, Telehealth videoconferencing technology which connects remote patients to medical professionals is widely available in Australia and overseas, however regional communities must have access to dependable telecommunications infrastructure to use these services.

Digital connectivity is essential for attracting and retaining residents to regional South Australia. The majority of the population possess the essential skills required to navigate online and perform their everyday tasks, with many relying on access to digital services to connect them to financial and government service providers such as banks, Centrelink and Services SA.

Connectivity is also essential for enabling remote employment and study opportunities, which would facilitate growth of the regional population and help retain current residents. Education in regional communities is highly technology-reliant, whether students are being educated via distance or at local schools. Broadband access, along with fast upload and download speeds, are essential in order to maintain and grow regional economies.

Investment in telecommunications is also required to futureproof the transport network, as it is a fundamental requirement for the advancement of innovative deployments and applications, including the development of autonomous vehicles.

> **RAA recommends:**
> - Reviewing regional South Australia's telecommunications infrastructure and investing to ensure it is fit for purpose.

Regional enablers

South Australian population growth

The population in regional South Australia is currently growing at a slower rate than metropolitan areas (~0.2%), however sections of the Yorke and Fleurieu peninsulas are expected to see growth greater than 1% in the near future, mostly due to increasing numbers of retirees moving to these areas.

It is important to note that greater Adelaide has more people aged over 65 than the Australian average, with the proportion of this age group within South Australia currently growing faster than the national average. This is likely a driving factor for the predicted growth expected in popular retirement areas such as Victor Harbor and the Copper Coast.

The next two decades will present the South Australian government with significant transport challenges in relation to servicing the mobility needs of the ageing population. With South Australia having the oldest population in Australia, there will be an increased demand for transport services that support the mobility needs of its elderly residents.

In addition, the ageing population will reduce the pool of skilled and experienced workers in future years, reinforcing the importance of providing opportunities which encourage younger people to reside and further their careers in regional areas. PIRSA's regional development strategy must consider opportunities for resilience and sustainability of the state's regional communities to ensure they are not reliant on a single industry or single product for their prosperity.

Tourism

RAA is South Australia's second largest travel agency, with a strong customer footprint in regional South Australia. We acknowledge the importance of tourism for both regional and metropolitan South Australia, and that intrastate tourism and domestic day trips are the largest contributor to South Australian net visits and overnight stays.

In 2016/2017, 17.2 million visitors embarked on a self-drive holiday in South Australia, with 62% of these trips in regional areas (NRMA, 2018). RAA encourages consultation with relevant stakeholders in the development and implementation of tourism-related strategies that have the potential to impact on transport infrastructure. We also encourage the government to consider regional tourism growth strategies that encourage councils to work collaboratively to ensure people who visit South Australia are encouraged to stay longer to experience proximate attractions and towns.

Strengthening South Australia's tourism offering through consistent signage along major corridors, foreign tourist signage options, the availability of digital information via apps, and improvements to rest stop facilities should be included within the Regional Development Strategy.

It is also important that major regional tourism areas are able to cope with the growth in electric vehicles, which will be critical to the state's economy.

Attention must also 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 routes.

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.

RAA recommends:
- Consistent signage along tourist routes, together with consideration of foreign tourist signage options and improvements to rest stop facilities.
- Development of digital visitor information.
- Ensuring mobile blackspots along tourist routes are identified, with conventional telecommunications infrastructure provided where applicable.

Conclusion

Smart infrastructure and service provision is vital to support population growth and economic development in South Australia's regions. Therefore, continued investment in safe, convenient and efficient transportation is essential to deliver a prosperous future for regional South Australians.

Partnerships and creative co-investment opportunities are particularly critical in the regions. Such an approach should be explored with industry stakeholders and all levels of government, to creatively leverage opportunities for better service delivery and economic growth.

Any planning undertaken for regional development must be evidence-based and take a holistic approach and ensure that the needs of the community are met. In doing so, the government will ensure South Australia continues to be a liveable state, which attracts investment and tourism.

RAA would welcome further opportunities to engage with PIRSA on the regional development strategy and its implementation.