



**MEDIA RELEASE**

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## **Congestion is here to stay**

Rarely does a day, or even an hour, pass in fast growing cities like Brisbane, Sydney and Melbourne that traffic congestion isn't mentioned in stories on radio, television and in the newspapers.

Driving citizens of these and other growing cities have been conditioned to expect delays as they travel around – largely thanks to overdue works on new road and rail infrastructure and works to fix roads left neglected over the years, as well as the impacts of population growth in these swelling cities.

Politicians are effectively wearing congestion as a badge of honour as they point to the billions being spent by their governments to build the roads, tunnels, bridges and railways so desperately needed. For the most part it's a badge of honour that's well deserved, as we finally step up and start to invest properly.

The Australian Government is investing \$100 billion over the next 10 years on transport infrastructure to help manage the growing population and meet the national freight challenge. And in my home state of Victoria, \$28.9 billion was allocated on new infrastructure projects in the last budget.

We are seeing evidence of the roll out of this and other expenditure with tunnelling underway on the West Gate Tunnel and Metro Tunnel, the removal of level crossings around Melbourne, and new and improved roads and bridges being built in regional Victoria.

For all the pain and frustration disruptions from these works are causing, they are to be welcomed by businesses and individuals that in time will benefit from the more seamless connections on our transport networks.

This isn't to say we should expect a sudden end to congestion as these projects are built because even more investment than has been announced is needed to address previous shortcomings. Infrastructure Australia suggests that we need to spend \$600 billion on infrastructure over the next 15 years, and that congestion costs will double over that time.

Delays for road users in Brisbane, Sydney and Melbourne are tipped to increase by an average of 29 per cent by 2031, despite significant increases in public transport over the same period. For freight operators and the customers they service, the message is simple: peak congestion in our major cities is here to stay – ignore it at your peril!

Now is the time for operators to plan for congestion being the new norm because if you don't it could be your undoing. There are basic steps every operator should take.

Firstly, communicate with your customers - it is essential that your customers are aware that congestion is causing costs to rise for operators in the form of higher fuel costs from trucks idling longer in traffic, and from higher labour costs due to reduced efficiencies on our roads.

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They need to understand that operators cannot simply absorb these rising costs and that inevitably price rises are inevitable throughout the supply chain.

In turn, consumers need similar conditioning that what they pay for groceries, clothes and other consumer goods will increase thanks to rising transport costs. For most, this will come as little surprise with their own fuel, insurance, registration and other transport costs rising faster than inflation over the last 12 months.

Secondly, use technology and data - ensure your schedulers are building the impacts of congestion into their planning so that customers can be provided with realistic and meaningful information about delivery times. And when congestion or other factors are likely to blow out these times, communicate this with your customers so they can at least plan for it.

Thirdly, reduce your operating costs - take stock of your equipment to ensure it is mechanically sound and efficient. And if you have plant and equipment that is past its use by date, consider upgrading to new equipment that is more fuel efficient and cheaper to operate.

Many state and federal governments are incentivising the conversion to more fuel-efficient vehicles, such as in Victoria where operators using more fuel-efficient Euro 5 or greater prime movers will be granted longer access to curfewed roads near the Port of Melbourne. And with interest-rates at record lows, now is a great time to invest in new capital.

Congestion is here to stay, so do the right thing by your people, your customers and your business and be prepared for it.

**Peter Anderson**  
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This column appears in the October issue of Prime Mover magazine.

**Ends...**

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