The second RAC BusinessWise-CCI Congestion Survey has confirmed that traffic congestion is taking an increasing toll on the profitability and productivity of businesses in and around Perth and its human impacts are now being felt more widely by workers.

More than 400 small-to-medium size businesses contributed to the 2013 survey which has revealed that 83% believe traffic congestion is having a negative impact on their operations; a result virtually unchanged from the 2012 survey.

The majority of businesses (70%) say their exposure to traffic congestion has increased over the past 12 months, down from a figure of 75% in the 2012 survey. However comments from businesses suggest many are now simply factoring in increased congestion as “business as usual” perhaps explaining, in part, the lower number.

Over the past 12 months, nearly all respondents (97.3%) said that traffic congestion had increased the time their workers spent on the roads, up from 90% in 2012. Businesses are facing higher fuel costs, lower productivity and the inability to take on more work.

Alarmingly, nearly 80% of respondents said congestion had added at least 10 hours per week to their time on the road over the past 12 months, up from 61% in 2012. One in five respondents said their workers were now spending more than 50 hours in additional time on the road.

Perth businesses say traffic congestion is continuing to cut into their productivity and profitability and is impacting on their ability to recruit, manage and maintain staff.

“It has made the city a less attractive place to work.”
Business Impact

The 2013 RAC BusinessWise-CCI Congestion Survey has confirmed a worrying trend for businesses to either lose work or be unable to accept new work opportunities due to congestion.

More than one third of respondents believed they had lost existing work contracts due to the problems related to traffic congestion. As one business explained: “We get stress and pressure from clients who don’t understand that times can’t be given accurately.”

There has also been a significant increase in the number of businesses who report they have had to turn down new work opportunities. The 2013 survey reveals that 53% of businesses reporting negative impacts of congestion listed the inability to take on new work as a major consequence, up from 39% in 2012.

Businesses expressed frustration at the uncertainty that congestion created in their business decisions: “It’s getting harder to gauge what jobs to take and what not to take”, and “Tendency to avoid delivering to certain areas because traffic is too slow.”

Nearly a quarter of respondents attempted to put a cost on the negative impact of congestion with estimates ranging from around $200 at the lower end through to $650,000.

Apart from the inability to take on new work, businesses listed increased fuel consumption (95%), increased time spent on roads (97%), loss of productivity (78%) and reduction in staff punctuality (68%) as the key impacts affecting their bottom line.

Many businesses had made changes over the past 12 months to reduce the impact of traffic congestion on their bottom line including using alternative roads/routes (80%), allowing more time between deliveries/jobs (74.5%) and scheduling deliveries/jobs outside peak traffic times (58%).

Businesses also pointed to increased vehicle running costs (maintenance etc) and breakdowns, with one respondent stating they had “Brought forward replacement program for fleet vehicles.”
Human Impact

The inaugural RAC BusinessWise-CCI Congestion Survey revealed a human face to Perth's congestion problem, a perspective which has been further amplified in this year's survey.

Businesses continue to report significant concerns regarding not only the management of staff but also in relation to their health and well-being. The survey points to a continued erosion in work-life balance as congestion drives earlier starting times and later finishing times.

Almost 70% of businesses reported that staff punctuality had suffered and that stress levels had increased, resulting in more sick leave, staff fatigue and lower motivation. As reported last year, employers remain concerned about the increase in traffic crashes, potentially flowing from fatigue and stress.

Increased reports of road rage have also featured in this year’s responses. Congestion has also emerged as a factor in staff recruitment and retention with employers worried that traffic conditions are making their workplaces less attractive to prospective and current staff.

One business went further in responding that they were “unable to employ staff who live north of the river” because of travel times being affected by congestion.

Another reported “negative feedback from staff on time taken to travel to work and the possibility of this impacting on their decision to move to another employer.”

Exposure to traffic congestion

Prompted impact of traffic congestion (past 12 months)

- Increased time spent on roads: 97.3%
- Increased fuel consumption: 95%
- Loss of productivity: 78%
- Reduction in staff punctuality: 68.5%
- Reduced ability to take on more work: 54%
- Loss of work/accounts/customers: 32%
What can be done?

Business confidence in the ability of governments to solve the congestion crisis has improved since the last survey but overall remains low with 58% of respondents stating they were “not at all confident” that State and Federal Governments have adequate plans in place to tackle congestion.

The improvement could be, in part, due to the high profile of road and public transport projects during the 2013 State election campaign which preceded this survey. The announcement of delays in the delivery of promised projects since this survey was taken may impact this result in following surveys.

Despite the improvement, the frustration of business came through strongly in comments like: “Infrastructure planning is consistently one step behind needs” and “Although road improvements are being made, it’s too little too late.”

For the first time businesses were asked to indicate their support or opposition to a number of initiatives that may help reduce traffic congestion on Perth’s roads. The management of roadworks featured prominently in business feedback with 81% calling for more effective coordination of road projects.

The introduction of new intelligent technology to manage the existing road network (83.2%) and more money spent to expand existing or build new roads (85.5%) were also high priorities for business.

While more spending for public transport (57%) was also supported, the introduction of toll roads, road user or congestion charges in comparison only received low levels of support. As one business noted: “Toll roads and user charging will just increase the cost of transport thus increasing the price of goods in the most expensive city in Australia.”

The 2013 State election helped highlight the growing business and community concern about the negative social and economic impacts of congestion. The 2013 RAC Businesswise-CCI Congestion Survey reflects that concern and reaffirms the need for a long term infrastructure plan for the State which integrates road and public transport with other key business and community priorities.

“One thing is for sure, taking a short term, incremental, reactive, negative approach that denies human nature hasn’t worked so far.”