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The Carrot for Compliance

Rewarding Safe Speeds for Safer Roads



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Executive Summary

Despite significant investment in road infrastructure and enforcement, road trauma remains a persistent and costly issue in New South Wales (NSW). Traditional strategies, engineering, enforcement, and education, have delivered improvements, yet fatalities and serious injuries continue to occur at alarming rates.

On average, someone is killed or hospitalized every 50 minutes due to a road crash in NSW, with an estimated annual economic cost of \$11 billion. Notably, speeding alone contributes approximately \$3 billion to this burden, underscoring the limitations of punitive enforcement in driving sustained behavioural change^[1].

This report proposes a shift in strategy: integrating incentivisation and positive reinforcement to promote safer driving behaviour. Rather than relying solely on penalties, this approach rewards compliance, aiming to foster a culture where road safety is both a shared responsibility and a personally rewarding experience.

Through a comprehensive methodology, including literature review, global case studies, expert consultation, and an industry-wide survey, this report explores the effectiveness of incentive-based programs and outlines a feasible implementation pathway for NSW, which can be scaled to a national level.

Proposal

The Carrot for Compliance - Rewarding Safe Speeds for Safer Roads



CONCEPT

A cashback-based reward system for drivers who consistently adhere to speed limits, using toll credits, fuel vouchers, or direct payments.



TECHNOLOGY

Leverages existing tolling and average-speed camera infrastructure to monitor compliance and calculate eligibility.



PILOT PROGRAM

Recommended rollout on the M7 Motorway, supported by a feasibility study and a 12-month pilot phase.



FUNDING

Program can be tailored to be funded from either Government road safety programs or strategic partnerships with private enterprises.

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Introduction

PROBLEM STATEMENT

Despite substantial investment in road infrastructure, signage, and enforcement, Australia, (particularly NSW), continues to face persistent challenges in reducing road trauma. While traditional measures such as engineering, enforcement, and education have contributed to progress, national fatality and injury statistics reveal that these approaches alone are not sufficient.

In NSW, road crashes cost the economy an estimated \$11 billion annually, with speeding accounting for approximately 27% of this figure, around \$3 billion^[1]. These figures highlight the limitations of punitive enforcement strategies (the "stick" approach), which have reached their ceiling in influencing driver behaviour.

To address this, there is a need to complement existing measures with a behaviourally informed, people-centred approach.

This paper proposes a paradigm shift: integrating incentivisation and positive reinforcement to promote safer driving and sustained speed compliance. By leveraging behavioural economics, this approach reframes road safety as a shared responsibility that is also personally rewarding, moving beyond punishment to encouragement.

“Reframing road safety as a shared responsibility, that is also personally rewarding”

PROJECT OBJECTIVE

This report aims to explore and recommend a new model for road safety in NSW by investigating:

- 1** The effectiveness of incentivisation and positive reinforcement in influencing driver behaviour.
- 2** Global examples of incentive-based strategies that promote speed compliance and safer driving.
- 3** Feasible and scalable incentivisation models suitable for implementation across NSW and potentially broader Australia.

METHODOLOGY



Literature review

A comprehensive review of academic studies, policy papers, and industry reports was conducted to assess the effectiveness of incentive-based strategies in road safety, with a focus on speed compliance.



Global case studies

International examples were analysed to identify best practices and assess their relevance to the Australian context.



Options analysis

A shortlist of incentivisation concepts, including cashback rewards, gamified lotteries, insurance discounts, and loyalty schemes, were evaluated for feasibility, scalability, and behavioural impact.



Expert engagement

Road safety experts, policymakers and industry stakeholders were consulted to validate the ideas, identified challenges and enabling factors.



Industry-wide survey

A targeted survey was conducted to gauge public interest, perceived effectiveness, and practical considerations for implementation.



Findings and recommendations

Insights from all stages were translated into clear, actionable recommendations. These included a proposed pilot program [The Carrot for Compliance: Rewarding Safe Speeds for Safer Roads](#) which leverages existing toll and speed camera infrastructure to deliver rewards to compliant drivers.

Project Context

Road use is an integral part of our day-to-day lives. As of 31 January 2024, there were approximately 21.74 million registered motor vehicles across Australia^[3]. In NSW alone, the most recent data shows that over the 12 months prior to September 2024, there were 10,695 serious injuries (hospitalisations) from road crashes.

Driving and using our roads does not come without risk; in NSW alone someone is killed or hospitalized every 50 minutes because of a crash on our roads^[4].

Road crashes have both a social and cost impact to each Australian. Studies found an estimated average cost of a fatal crash was \$3.2 million between the years 2016-2020.

\$261,000	Hospitalised injury crash	The average cost of a crash can range from \$13,800 (property damage only) to over \$250,000 where someone is hospitalised ^[5] .
\$30,400	Non-hospitalised injury crash	The costs do not account for the psychological impact to those involved whether directly or indirectly from pain, grief and suffering whether this be from an injury, disability or death.
\$13,800	Property-damage only crash	

Crashes impose wide-ranging economic impacts, not only through direct loss of earnings from injured or deceased workers but also indirectly by disrupting workplaces and drawing heavily on healthcare and emergency service resources that could otherwise support broader economic activity.

To quantify these effects, Transport for NSW’s January 2025 Economic Parameter Values provide unit costs for different crash outcomes (Table 1), including fatalities, serious injuries, minor injuries, and property-damage-only crashes. These unit costs incorporate loss of life and future productivity, medical treatment and rehabilitation, emergency response, crash investigation, legal and insurance processes, and property damage.

“In NSW, someone is killed or hospitalised every 50 minutes due to a crash”

Table 1 Cost of crashes in NSW^[6]

Category	Unit Cost (AUD)	Volume in NSW (annually)	Total Cost (AUD)	Speed as a Factor	Speeding Related Cost (AUD)
Fatality (per casualty)	\$9,300,000	351	\$3.26 billion	40%	\$1.31 billion
Serious injury (per casualty)	\$596,000	10,613	\$6.32 billion	23%	\$1.42 billion
Property damage only (per crash)	\$12,500	114,500	\$1.43 billion	Unknown	Unknown

Importantly, they represent an economic valuation of the total social cost of road trauma, designed for use in cost–benefit analysis and project evaluation, rather than being compensation amounts paid to individuals.

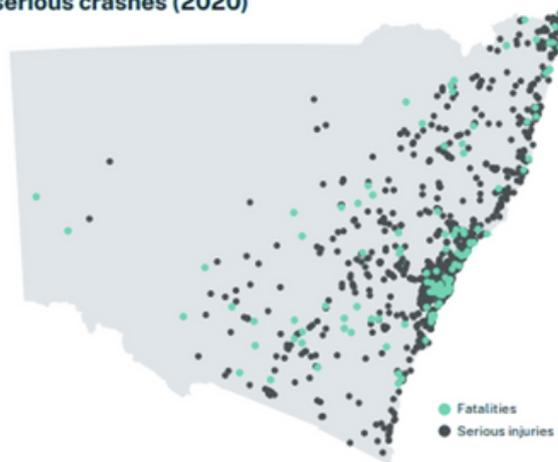
Transport for NSW notes that driving safely is essential for road safety and reducing your risk of being in a crash. Driving safely is directly influenced to the driver’s behaviours behind the wheel. Safe driving includes following the speed limit, understating rules around Alcohol, drugs and Medicines, Mobile phones, digital screens and GPS and seatbelts among other factors^[6].

Behavioural factors in NSW fatalities



NSW speeding-related fatal and serious crashes (2020)

While a number of high-risk behaviours contribute to fatal crashes, speeding consistently remains the highest contributing factor. Speeding-related trauma is dispersed across the entire road network and therefore requires a network-wide response.



Interventions seeking to modify driver behaviour have usually relied on the deterrence paradigm and focused on preventing risky behaviour. However, the facilitation of good or appropriate behaviour is rarely highlighted in the road safety literature^[7].

Literature Review

STOCKHOLM SPEED CAMERA LOTTERY

The Speed Camera Lottery was a trial in Stockholm, Sweden^[2], where drivers who obeyed the speed limit were automatically entered into a cash prize draw. The prize money came from fines paid by speeding drivers, turning traditional enforcement into a fun reward system that encouraged safe driving.

The program was tested in 2010 to see if rewarding safe drivers could improve speed compliance. During the 3-day trial, the average speed dropped from about 32 km/h to 25 km/h. This means that drivers were about 22% slower on average, showing a clear improvement in compliance.

Researchers and transport agencies have often used this project as an example of how positive rewards can influence safe driving. It has been reported the lottery as real-world proof that people drive more safely when there is a fun or rewarding reason to do so.

Other studies on similar lottery-based incentives, such as a field experiment in Italy^[13], found that people were more likely to follow rules when they could win prizes, even if the chance of winning was small.

Overall, the Stockholm experiment showed that rewarding safe drivers can reduce speeding, at least in the short term. More research is needed to know if the effect lasts, but it provides a strong example that positive incentives can change behaviour on the road.

“Rewarding safe drivers can reduce speeding”

VITALITY DRIVE

The Vitality Drive program^[12] is an incentive-based driver behaviour intervention that uses telematics to monitor acceleration, braking, speeding, cornering, phone use, and other metrics. It is marketed in several countries as a behavioural tool to promote safer driving and reduce insurance loss ratios.

One prominent example is the Tawuniya Drive initiative in Saudi Arabia, launched in 2021 through a partnership with Vitality. Participants are graded weekly and can choose between a smartphone-based or in-vehicle sensor solution.

Early findings from the Tawuniya implementation reported improvements in average driver scores within five to six weeks (for example, an increase from approximately 77.1 to 81.5), alongside measurable reductions in risky behaviour such as harsh braking and mobile phone use.

In South Africa, discovery's original Vitality Drive program reported a 17% improvement in overall driving behaviour within one month of enrolment, and a 25% lower absolute loss ratio among drivers who remained active compared to those who discontinued participation.

The available data therefore suggest that Vitality Drive has potential as an effective incentive mechanism for safer driving, but further empirical research is needed to confirm its long-term impact and transferability.

Current Incentives

Through an initial literature review, we have identified a number of potential incentivisation initiatives that could be implemented on a more widespread basis. Any incentive program needs to be complementary to current enforcement measures. These incentives are captured below and further details of each is presented in Appendix C.

INSURANCE INCENTIVISATION

Incentivisation through a no claims bonus is a common strategy used by insurers to encourage safer driving behaviour. By offering reduced premiums to drivers who maintain a clean record without filing claims over a certain period, insurers reward responsible behaviour and discourage risk-taking on the road. Conversely, traffic infringements such as speeding, reckless driving, or DUIs can lead to the loss of this bonus or increased premiums. This system creates a financial motivation for drivers to adhere to traffic laws, reinforcing road safety while aligning personal benefit with responsible conduct.

DEMERIT POINT SYSTEM

NSW currently has a Demerit Points Relief for Safe Drivers Scheme which rewards drivers who have had demerit points deducted due to an offence/violation. If this group of drivers maintain an offence-free record for a determined period, then one demerit point will be removed from their driving record. This is somewhat controversial as it has replaced the Fair Go for Safe Drivers Scheme whereby drivers with no offences were rewarded with discounted licensing. Evaluation of the effectiveness of this Scheme is required to understand the impact to driver's behaviours.

CORPORATE LEVEL BENEFITS SCHEME FOR EMPLOYEES

Corporate organisations such as the United Nations have introduced Safe Driving Bonuses which financially compensates employees driving a company vehicle with a one week's salary bonus for drivers who perform accident-free with no traffic convictions or violations for a year's period.

MY DRIVE HERO MOBILE PHONE APPLICATION

The MyDriveHero app promotes safe driving across Australia. Through a subscription-based model, drivers are rewarded with points for every journey they take, based on how safely they drive. The app tracks drivers' trips in the background and a safety score is generated for the trip, considering two factors - speeding and phone distraction. The driver can be rewarded in vouchers for fuel, groceries, restaurants, uber and shopping. The app has recently employed incentives including double rewards during holiday periods, similar to double demerits schemes.

DRIVER LICENCE REGISTRATION

Various states in Australia have current or have had schemes that reward offence free drivers' byway of discounts on their licencing. The uptake or general public knowledge of these schemes is somewhat unknown, suggesting that promotion of the schemes was limited.

Examples include:

- 50% Discount on renewal fees for drivers of any age in NSW with no offences in a 5-year period (note: Fair Go for Safe Drivers Scheme ceased in 2024).
- Free licenses for drivers who remained offence free during their provisional licence (Tasmania, Victoria, Western Australia).

DRIVING COURSE INCENTIVES

Previous driver education programme trials based on incentives have focused on young drivers. These programmes have involved additional education during a young driver's training or after licencing tests.

In the USA incentive examples allow drivers to waive portions of licencing tests or obtain unrestricted licences earlier. In the UK, defensive driving training was previously recognised by insurance providers who offered discounted premiums. In New Zealand, completing an approved defensive driving course can reduce the restricted licence period by six months for those under 25 and three months for those over 25.

Incentive schemes linked to driver education have typically been a short-term incentive which may reduce the effectiveness over time as they don't not focus on the long-term continued behaviour reward.

Analysis

DOES INCENTIVISATION WORK?

Our research shows that incentives in conjunction with traditional road enforcement measures can influence safe driving behaviours. The introduction of new technologies both in vehicle and through traffic management systems enables more platforms to capture data to deploy incentive programs to target driver behaviours.

A University of Adelaide study found that there is some evidence incentive and reward schemes can be effective if specifically tailored to, and targeted at specific driving behaviours such as speeding^[8]. Studies from both Canada and the Netherlands, have demonstrated that economic incentives can effectively alter driver behaviour^[9].

Insurance agencies such as AAMI have created driver rewards programs using mobile phone applications using telematics data focusing on key driver behaviours providing driving scores and feedback areas for drivers to work on. Rewards are given as cashback based on the drives monthly score. AAMI's data shows that 39% of users have improved their safe driving scores since 2022^[10].

A US field experiment by the Office of Behavioral Safety Research found that monetary incentives offered to drivers with the objective of reducing speeding more than 5 mph faster than the posted speed resulted in significant reductions in speeding events which ultimately should lead to a reduction in speed-related crashes^[11].

“Economic incentives can effectively alter driver behaviour”

OPTIONS ANALYSIS

Through the initial assessment of the options identified through our research, ranging from financial incentives through to non-financial recognition, we identified three options to consider further and develop potential incentivisation schemes:

1. Rewarding driving behaviour on toll roads
2. Corporate incentivisation for employees
3. NSW Government initiative across public roads

Importantly, the analysis is framed within the current economic context, where cost of living pressures are increasingly influencing public behaviour and decision-making. Financial incentives such as toll credits, fuel vouchers, and registration discounts are not only effective behavioural tools but also offer meaningful relief to households facing rising expenses. This dual benefit strengthens the case for prioritising financial-based strategies in the short term.

The purpose of the options analysis is to evaluate the effectiveness, feasibility, and potential impact of different schemes. To remain objective in the process, we developed a methodology to systematically assess each incentivisation strategy to identify the most suitable incentivisation strategy for recommendation.

METHODOLOGY

The methodology considered (equal weightings):

- The benefits and impacts of the strategy
- The identified barriers to implementation, and feasibility of overcoming these in the short-term future (1-2 years)
- The ability to scale the strategy to gain larger benefits over the wider community
- The innovation

The methodology focused on the qualitative aspects of the strategy; the financial costs and benefits of each strategy were excluded from the options analysis to focus on the effectiveness of changing driving behaviour, rather than cost to do so. Financial costs and benefits will be calculated for the recommended option and considered in the implementation plan.

Table 2 Options analysis of three potential incentivisation schemes

Incentive	Description	Pros	Cons	Barriers to Implementation	Scalability	Innovation
<p>Incentive One:</p> <p>Rewarding driving behaviour on toll roads</p>	<p>This scheme uses existing infrastructure on toll roads to capture driving behaviours where the toll operators (private sector) gives positive reinforcement to the drivers when the driver displays good driving behaviours on the network.</p> <p>Existing infrastructure includes: -Toll entry/exit points -Average speed cameras -In-built vehicle telematics</p> <p>Rewards can include: -Monetary – credits or discounts towards tolls -Financial – reward points to existing reward schemes (i.e. Qantas, Woolworths) -Positive recognition – including letters of support/thanks, instant messages when exiting the network of thanks/support for driving safely</p> <p>Context: The current NSW Government funded toll relief payment is expected to expire in January 2026. This incentive considers replacing the current toll relief payment scheme with an incentive scheme to receive financial, monetary or non-financial benefits for driving safely on toll roads.</p>	<p>This scheme:</p> <ul style="list-style-type: none"> • Avoids getting policy or legislation through cabinet, which can take a long time. • Existing infrastructure is in place along some of the tolls roads, which would ease the implementation of and time taken to implement the scheme. • Drivers would have to opt into the program to receive monetary and financial rewards (similar to applying for the current toll relief payment) Inevitably, some drivers would not participate and therefore a saving may be realised from not 100% of population/toll users opting in. • Transurban has an existing framework and system set up for customers who use their toll roads to receive gift vouchers (utilisation benefit for the user). It would be easy to implement this scheme through this existing system. • Potential population reach is large given the number of motorists travelling on toll roads. 	<p>This scheme:</p> <ul style="list-style-type: none"> • Limited parameters to be captured using existing infrastructure so further investment into those toll roads would be required to roll this scheme across the network. • To include further driving parameters, vehicles telematics would be required. However, only newer vehicles would have these telematics built-in, which could limit the participation of people who drive vehicles less than 5 years old. • Cost of aftermarket vehicle telematics would impact on the level of participation of the scheme (vehicle equity). 	<p>Capturing the right data is not possible on all toll roads in the network.</p> <p>Including older vehicles in the scheme to ensure vehicle equity. Anti-discrimination based on vehicle age.</p> <p>Cost of aftermarket vehicle telematic equipment.</p> <p>Funding for the scheme from the toll operator.</p>	<p>This scheme has been designed to be trialled in NSW where the existing infrastructure to capture data exists on parts of the network. If successful, the scheme could be rolled out to other states and toll roads, where infrastructure may need to be purchased to capture data.</p> <p>This scheme has been designed to scale the benefits to include funding from government to fund the monetary reward.</p> <p>As the success of the scheme grows, additional data parameters on driving behaviour can be added to contribute to the assessment of good driving behaviours.</p>	<p>This scheme is innovative through:</p> <ul style="list-style-type: none"> • Using existing infrastructure in a unique way to reward drivers for good behaviour, rather than penalise them for bad / non-compliant behaviours. • Toll operators recognising drivers with positive reinforcement when they display safe driving behaviours on their network, in an effort to change behaviours across wider road network.

THE CARROT FOR COMPLIANCE

Incentive	Description	Pros	Cons	Barriers to Implementation	Scalability	Innovation
Incentive Two: Corporate incentivisation for employees	<p>A scheme which organisations recognise good driving behaviours of their employees who drive corporate vehicles.</p> <p>Rewards can include:</p> <ul style="list-style-type: none"> • Monetary – bonuses, gift vouchers • Financial – reward points to existing reward schemes (i.e. Qantas, Woolworths), paid time off (accrued Time Off in Lieu) • Positive recognition – including letters of support/thanks, recognition in performance reviews, internal company competition for safest driver <p>This scheme would use an existing mobile application- solution to capture driving data. Staff would be required to opt into the scheme, and sign up for the application (subscription fees paid for by the company).</p> <p>Company has access to fleet vehicle telematics to capture data, in addition to the application, if required.</p> <p>Option – to give incentives to those without driving infringements. Although this would encourage behaviour of not getting caught, and only matter if enforcement captures, rather than all the time which is where the telematics capture comes in.</p>	<p>This scheme:</p> <ul style="list-style-type: none"> • Avoids getting policy or legislation through cabinet, which can take a long time. • Uses an existing mobile application so the cost and time of developing an application is not required. The application has equation to collate a score which can easily be used by the company. • No data privacy issues as the individual opts in to the scheme. • Cost effective capital investment in the mobile application and mobile phone, and if required aftermarket vehicle telematics. • Demonstrates social responsibility by the company. 	<p>This scheme:</p> <ul style="list-style-type: none"> • Accuracy of mobile phones and applications for speed, location, and other data parameters. • Application has pre-determined parameters to collate driving score. There is no scope for a company to amend these or customize the application to their own needs or priorities. • Uptake could be minimal as staff choose not to opt into the scheme. • Staff perceptions of "big brother" is watching. • Buy-in from management if the driver for the company is cost of operations (fuel savings, cost savings), rather than road safety. • Companies shouldn't need to incentivise staff to follow the road rules when driving company fleet. It could send the wrong message or set a precedence to the staff. • Population reach is limited to employees of the company. 	<p>Buy-in from employees to participate in the scheme</p> <p>Obtaining management buy-in, at both senior management and middle management levels. This scheme may not align with the senior management's priorities creating a road block for implementation. The scheme may not get the support of middle management to promote and encourage staff to participate</p> <p>Cost of aftermarket vehicle telematic equipment for vehicles (older vehicles) in the fleet.</p> <p>There is a risk of vandalism of the telematic equipment by employees to not record behaviours.</p> <p>Funding for the scheme by the company to fund the rewards.</p>	<p>This scheme is easily scaled to other companies, once a 'pilot' and framework is established.</p> <p>This scheme can easily be implemented across Roads Australia member organisations. There are opportunities for sponsorship to assist in funding monetary and financial rewards / incentives.</p>	<p>This scheme is innovative through the employment of a driving incentive program implemented in an organisation across their fleet.</p> <p>However, the mobile application is existing so there is no innovation there.</p> <p>Companies may also have existing policies which cover responsibilities and conduct when driving company vehicles/fleet.</p>

THE CARROT FOR COMPLIANCE

Incentive	Description	Pros	Cons	Barriers to Implementation	Scalability	Innovation
<p>Incentive Three:</p> <p>NSW Government initiative across public roads</p>	<p>This scheme is available to all drivers in NSW across all public roads. The scheme would be an opt-in scheme, where drivers opt-in to record driving behaviours to be rewarded if the driver demonstrates good driving behaviours.</p> <p>Rewards can include:</p> <ul style="list-style-type: none"> • Monetary –cashback, gift vouchers, discounts towards registrations and licencing • Financial – reward points to existing reward schemes (i.e. Qantas, Woolworths) • Positive recognition – including letters of support/thanks <p>Data on driving behaviour would be collected via a mobile phone application (similar to My Drive Hero). Existing infrastructure and cameras would also be used to capture driving behaviour, such as mobile phone use, speed. These can be linked to the other data in the application, via number plate and vehicle registration details.</p>	<p>This scheme:</p> <ul style="list-style-type: none"> • Applies across all of NSW, and is a statewide approach to tackling driving behaviours. • Largest population reach could result in greatest change in driving behaviours. • Uses an existing mobile application so the cost and time of developing an application is not required. The application has equation to collate a score which can easily be used by the government. • Any driver with a smart mobile phone could register for this scheme. It is not reliant on collecting data from vehicles therefore older vehicles can be include 	<p>This scheme:</p> <ul style="list-style-type: none"> • Accuracy of mobile phones and applications for speed, location, and other data parameters. • The mobile phone application would need to be vetted by Government, or a new one developed which would take time and be costly. • There is a risk the policy/legislation required for the Government to take this role of giving you rewards would not get through the approval channels. • Funding for the monetary rewards would be a challenge for the Government. There is also no long-term commitment to the funding/budget, which could change with a change in Government. • The existing infrastructure (cameras) does not cover all public roads and a significant level of investment would be required to capture this data with cameras across the network. 	<p>Capturing the right data is not possible on all public roads.</p> <p>Uptake of the public to opt into the scheme.</p> <p>Accuracy of smart phone technology to capture the data.</p> <p>Funding stream for Government to fund the rewards.</p> <p>Legislation and policy required for the solution to be implemented.</p>	<p>This scheme is easily scaled to other States; however, it would require funding from Federal level or a commitment from each State to fund.</p> <p>This scheme could look differently in each State depending on their Government’s legislation and funding stream.</p>	<p>The NSW Government has had previous incentive schemes, such as cheaper licence registration, demerits (decentivisation), return of demerits for good driving behaviour. The innovation in this scheme is to change driver behaviours across mass population through monetary incentivisation rather than previous benefits.</p>

RECOMMENDED OPTION TO DEVELOP

Based on the Options Analysis presented in Table 1, the incentive we proposed to further develop is the incentive **Rewarding driving behaviour on toll roads**.

Through our detailed analysis, it was evident that incentive 3 would be challenging to implement due to the requirement for extensive government policy reform, legislative amendments, and significant infrastructure investment. This meant potential benefits would not be realised for a considerable period.

While incentive 2 holds merit for its scalability across various organisations, its population reach is more limited when compared with incentive 1. Incentive 1, by contrast, offers broader coverage with the potential to influence driver behaviour on a larger scale. The innovative use of existing infrastructure further enhances the merit of incentive 1, allowing immediate impact without the need for substantial new investment.

The assessment framework ultimately identified incentive 1 as the most favourable option. It is the quickest and simplest to implement and provides an ideal opportunity for a pilot program to evaluate the impact of rewarding positive driving behaviour. Although incentive 1 is limited to the toll road network, a significant proportion of vehicles use these routes—maximising potential reach and enabling measurable change in road safety outcomes.

“Our incentive maximises potential reach and enables measurable change in road safety outcomes.”

Engagement

INDUSTRY SME ENGAGEMENT

OBJECTIVE

Selected Road Safety SMEs across various organization types including government, private toll road operator, road safety design and road safety organizations were engaged with the aim to challenge the idea of incentivisation for improved road safety and obtain further insights against the various options identified by the group.

We sought to discuss key barriers to the implementation of the initiative including:

- The reward or incentive, these can be monetary, tangible rewards, or discounts.
- Technology
- Driver's preference
- Data privacy
- Policy and legislation
- Funding, both private and public (government)
- Getting buy-in (private enterprise, public)
- Measuring the effectiveness of the initiative, including the impact on improving driver behaviours

QUESTIONS

- Do you believe incentivisation could influence driver behaviour and make driving on our roads safer?
- Which incentive from our analysis do you think would be the most effective and scalable?
- What challenges and barriers have you encountered when trying to implement initiatives to improve behaviours towards road safety?
- Are you aware of any innovative approaches or initiatives implemented elsewhere that could inform road safety efforts?
- What funding mechanisms could support road safety initiatives, and how can key stakeholders be effectively engaged?

RESPONSE

Do you believe incentivisation could influence driver behaviour and make driving on our roads safer?

All SMEs were of the opinion that incentivisation was a worthwhile strategy which would improve road safety more than road infrastructure improvements alone and supported the group's research. Key benefits of incentivisation are the ability to increase the level of engagement with road users, in particular within the corporate space, and the use of technology aiding reaching young drivers who are involved in almost a quarter of annual road fatalities, however, rewarding drivers of company fleet vehicles was seen as an area where incentivization should not be used. This was because those with the privilege to be entrusted with a company vehicle should automatically be expected to comply with all road rules.

Which incentive do you believe is most effective and scalable for improving road safety?

Private sector-led incentives were viewed as the most effective and scalable, particularly those involving toll operators due to existing infrastructure that can support speed compliance monitoring. SMEs noted that while a business case would be required, the potential to offset costs through reduced property damage and improved traffic flow makes this model viable.

Advancements in technology, such as mobile apps and aftermarket telematics, enable broader implementation of incentive programs beyond toll roads. Corporate-level schemes were also seen as promising, especially when linked to operational benefits like fuel savings and reduced downtime. These programs could be expanded by retrofitting telematics into private vehicles and were recognised as a way for businesses to demonstrate proactive safety leadership under WHS obligations.

What challenges and barriers have you encountered when trying to implement initiatives to improve behaviours towards road safety?

Government policy was consistently identified as a major barrier, particularly the risk of schemes being discontinued due to shifting priorities under newly elected governments. As a result, private sector-led initiatives were seen as more viable. However, when it comes to corporate incentives for fleet drivers, concerns around appropriateness and limited uptake may restrict scalability, even if the programs prove to be effective.

Are you aware of any innovative approaches or initiatives implemented elsewhere that could inform road safety efforts?

Transurban's 'Toll Road Ready Program' is designed to educate new and young drivers on safe motorway and toll road use, rewarding completion of a short online training module with a fuel voucher. Adapting and expanding programs like this could deliver long-term behavioural improvements by reinforcing safe driving habits early.

While various toll rebate and cashback schemes are currently in operation, they do not account for driver behaviour. As these government-funded programs phase out, particularly amid cost-of-living pressures, there is a strong opportunity to replace them with behaviour-linked incentives. This shift could drive meaningful uptake and deliver both safety and economic benefits.

What funding mechanisms could support road safety initiatives, and how can key stakeholders be effectively engaged?

Governments are key funders of road safety initiatives, given their role in planning and operating road infrastructure. With several funding schemes ending, there's an opportunity to redirect resources toward incentivising safer driving.

Organisations such as fuel suppliers, toll operators, and vehicle manufacturers can supplement government funding through sponsorships. Redirecting advertising budgets to these programs boosts brand visibility and demonstrates corporate responsibility. Toll operators could also allocate a portion of increased revenue from safer driving to support incentives.

Ex-fleet vehicles donated by sponsors can be used as lottery rewards. These well-maintained vehicles help raise road safety standards, especially for young drivers who often drive older, less safe cars, reducing crash severity and improving outcomes.

Success depends on a strong communication strategy. Clear, consistent messaging and educational components will keep safety top of mind and support long-term behavioural change.

“It’s about being safe every time you drive. No matter where in NSW you are - if you’re out there driving safely, you’re playing your part”

Matt Stubbs, Road Safety Ambassador

INDUSTRY WIDE SURVEY AND RESULTS

OBJECTIVE

The objective of the "Incentivisation for Safer Roads" survey was to explore how different types of incentives could influence driver behaviour and promote safer driving practices in Australia. Specifically, the survey aimed to:

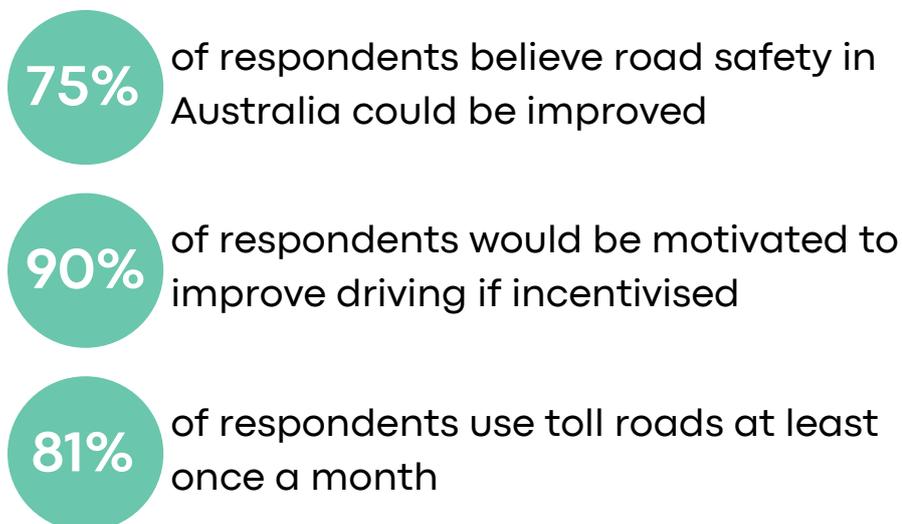
- Understand driver demographics and habits, including age, driving experience, frequency of driving, and toll road usage.
- Gauge perceptions of road safety, identifying what drivers believe are the main causes of unsafe driving.
- Assess motivation levels—how likely drivers are to improve their behaviour if offered incentives.
- Identify preferred incentive types, both financial (e.g. discounts, cashback) and non-financial (e.g. recognition).
- Evaluate openness to technology, such as mobile apps that track driving performance and offer feedback or rewards.
- Determine the most effective incentive models, including recurring.

The overarching goal was to inform strategies that could encourage safer driving through targeted, appealing, and effective incentive programs.

To encourage broad participation, the survey was distributed through multiple channels, including personal networks. A total of 90 respondents completed the survey.

KEY RESULTS

Key results from the survey are:



SURVEY RESULTS

Demographic & Driving Behaviour Insights

- The majority of respondents were aged 35–54, with 89% holding a valid licence for over 10 years, indicating a mature and experienced driving population.
- Driving is primarily for commuting (46%) and work (37%), with 81% driving five or more days per week, suggesting high exposure to road conditions and habits.
- Toll road usage is common: 42% use them monthly, 20% weekly, and 19% daily highlighting toll roads as a strategic touchpoint for behavioural interventions.

Perceptions of Road Safety

- 75% of respondents believe road safety in Australia could be improved, and 92% identify driver behaviour as the leading cause of unsafe driving, far outweighing concerns about infrastructure or vehicle condition.
- This indicates a strong public awareness of behavioural risks and a potential openness to behavioural change initiatives.

Motivation & Incentive Preferences

- 53% of respondents would be somewhat motivated, and 27% extremely motivated, to improve their driving if incentivised demonstrating a clear opportunity for behavioural nudging.
- The most preferred incentives were:
 - a. Discounts on licence/registration fees
 - b. Insurance premium discounts
 - c. Cashback
 - d. Fuel vouchers
 - e. Toll credits

Although toll credits ranked fifth, their relevance is amplified by the high frequency of toll road usage, making them a practical and visible reward mechanism.

Recognition & Technology Acceptance

- 58% of respondents stated that public recognition (e.g. certificates, leaderboards) is not important, suggesting that non-financial recognition alone may not be effective.
- Comfort with mobile app tracking is mixed:
 - 31% somewhat comfortable
 - 22% very comfortable
 - 29% uncomfortable or very uncomfortable This implies that while digital tools can be part of the solution, privacy and usability concerns must be addressed.

Preferred Incentive Models

- The most motivating incentive structure was a \$300 one-off annual payment, followed by monthly recurring payments of \$20–\$40.
- Lottery mechanisms and non-financial recognition were less appealing.

Recommended Initiative

The Carrot for Compliance:
Rewarding Safe Speeds for Safer
Roads



Australia’s current approach to road safety remains dominated by punitive enforcement. While fines and demerit points have contributed to some behavioural change, research and stakeholder feedback indicate that deterrence alone is not enough to achieve long-term compliance.

This paper has demonstrated that there is merit in adopting incentivisation to improve road user safety by encouraging speed compliance.

CONCEPT FRAMEWORK

This initiative proposes a reward-based program designed to improve speed compliance through positive reinforcement rather than punishment.

The program will use existing technology and infrastructure to monitor driver behaviour, link it to a compliance assessment, and deliver tangible rewards to drivers who meet defined criteria. It is intended to complement, not replace, current enforcement measures, creating a more balanced approach that motivates safer driving through recognition and reward.

CORE PRINCIPLES

The core principles in developing this proposed program are:



Positive reinforcement: encourage sustained compliance through rewards, grounded in behavioural economics.



Transparency and fairness: eligibility determined through objective and data-driven metrics.



Ease of implementation: capable of integration with existing toll or enforcement systems, allowing rapid rollout with minimal new infrastructure.



Scalability: extend driver behaviour parameters to other areas such as mobile phone use, driver fatigue, driver distraction, hard braking over time, to capture more than just speed.



Public engagement: promote a positive narrative around road safety and shift focus from punishment to reward.

INDICATIVE ELIGIBILITY PARAMETERS FOR CONCEPT FRAMEWORK

The goal is to recognise drivers who consistently demonstrate safe behaviour over time and across meaningful distances; therefore, eligibility should focus on sustained speed compliance over a defined period rather than isolated instances of safe driving.

The program rewards drivers who maintain legal speeds on monitored road corridors. Rewards are issued periodically, for example quarterly, as cashback payments, toll credits or fuel vouchers, providing a tangible incentive for compliance.

This model supports ongoing psychological reinforcement by rewarding sustained compliance rather than one-off behaviour. Each new cycle acts as a fresh opportunity to stay compliant and earn the reward, turning safe driving into a routine habit.

Further study is recommended to validate these parameters, confirm fairness across driver groups and identify the most effective reward frequency.

EXAMPLE ELIGIBILITY CRITERIA

- Drivers must hold a valid NSW drivers licence.
- Drivers opt into the program by providing consent.
- Maintain compliance with posted speed limits across a continuous monitoring period (e.g. a rolling 3-month cycle).
- Drive a minimum distance on monitored corridors to ensure data validity over monitoring period.
- Have no recorded traffic infringements or fines during the same period.
- At the end of each cycle, compliance is assessed on a simple yes or no basis
 - Yes (compliant): driver receives the reward
 - No (non-compliant): no reward, but remains eligible in the next period

REWARD FRAMEWORK

The reward mechanism should be binary to remain transparent, simple and easy to communicate:

- Compliant drivers receive a fixed reward
- Non-compliant drivers do not receive a reward

Rewards should be delivered automatically through tolling credits or partner platforms to maintain simplicity and credibility. While the exact value may vary based on funding availability, the critical behavioural element is certainty of reward for compliance, not its magnitude.

Table 3 Reward framework

Compliance Outcome	Reward Outcome	Example Reward (AUD)
Compliant: Meets all eligibility criteria during the monitoring period	Yes	\$25 - \$250 cashback, fuel voucher, or toll credit
Non-Compliant: Any recorded breach or infringement during the monitoring period	No	No reward

TECHNOLOGY REQUIRED

Successful delivery of the Carrot for Compliance program relies on the use of existing infrastructure and data systems to monitor speed compliance, calculate eligibility and issue rewards efficiently. The approach is designed to minimise new capital expenditure and make use of established networks operated by road authorities and private operators.

The system would integrate two existing technologies commonly used across NSW road networks:

- **Tolling Gantries:** already equipped with automatic number plate recognition systems capable of capturing entry and exit times
- **Average-Speed Cameras:** measure mean speeds over fixed distances; can provide real-time compliance data for participating vehicles

Data captured from these sources would be encrypted and anonymised before being processed through a secure compliance algorithm that determines whether a driver maintained legal speeds throughout the monitoring period. Drivers who meet all eligibility conditions trigger an automatic “yes” result, prompting reward distribution through linked partner platforms such as toll accounts or fuel voucher providers.

SCALABILITY

There is an opportunity in the future to extend the parameters of the program to include:

- Driver distraction, including through mobile phone use
- Seatbelt usage
- Driver fatigue
- Hard braking
- Unsafe lane changes
- Safe following distances

Current technology, such as in-built vehicle telematics, can capture this data and over time can be included in the program to assess driver behaviour. Not all vehicles in NSW have the capability to capture and record this data, and therefore it was not appropriate to include other good driving parameters into the program in an effort to avoid inequity for the public to participate in the scheme based on their current personal vehicle.

BEHAVIOURAL RATIONALE

The binary model draws on behavioural economics principles, especially positive reinforcement. The clear, predictable linkage between behaviour (safe driving) and outcome (a tangible reward) creates a continuous feedback loop that supports long-term habit formation.

Frequent, smaller rewards (for example, quarterly) are expected to sustain motivation better than large, infrequent ones. Each new cycle offers a psychological reset, allowing drivers to re-engage even if they missed the previous cycle.

WHY IS THIS DIFFERENT

We recognise that while other incentivisation initiatives exist to promote safer driving, they often operate as standalone schemes with limited integration into broader policy frameworks or infrastructure. For example, the MyDriverHero app relies heavily on mobile devices and requires users to pay to access incentives, effectively making them “pay to be incentivised.” Additionally, GPS accuracy can vary by device, and users may have concerns about data privacy.

In contrast, our initiative is designed to foster long-term behavioural change and habit formation. It leverages existing infrastructure, aligns with policy goals, and offers meaningful rewards without placing the burden on the user, creating a more inclusive and sustainable model for improving road safety.

Despite technological advances in vehicle safety, infrastructure improvements, and ongoing education programs, the national trend in road fatalities continues to rise. The incentives examined in this report, while useful, remain fragmented and lack broad impact. Our recommended approach presents a more focused and effective intervention, moving beyond the limitations of current ad hoc schemes to achieve widespread change.

Implementation Pathway



The proposed pathway emphasises a progressive rollout beginning with a pilot program before expanding across Australia.

The M7 Motorway provides an ideal site for the pilot study due to its closed toll system, high proportion of commercial vehicles and large daily traffic volume of around 200,000 vehicles. Key stakeholders to work through the implementation plan include Transport for NSW, the toll operators, potential sponsors and Roads Australia.

Following evaluation, the model could be expanded to other corridors such as the M2, M5 and NorthConnex, allowing broad-scale behavioural impact while maintaining a consistent data and technology framework.

Funding Estimate

Effective funding is critical to launching and sustaining the Carrot for Compliance program. Although the idea leverages existing systems, seed capital will be required for rewards, integration, administration and evaluation. The following outlines the indicative budget, potential funding sources, and strategic alignment with toll reform and cost-of-living dynamics.

Our preliminary estimate for a one-year pilot would require at least \$10 million. This figure includes reward payments and operational costs, relying primarily on existing systems rather than new infrastructure. This budget is illustrative and should be refined in a detailed concept. It is possible to modify reward frequency or cohort size without increasing overall expenditure.

Table 4 Funding estimate for pilot program

Component	Estimated Cost (AUD)	Percentage
Reward pool Cashback, toll credits or vouchers for participants	\$9.2 million	92%
Technology integration Integrating existing Transurban utilisation platform (for drivers) to opt into the program with data collection systems, such as speed camera data collection, toll tag collection point data	\$0.5 million	5%
Program administration Staffing, governance, and monitoring, evaluation and reporting	Excluded	-
Communications and engagement	\$0.2 million	3%
TOTAL	\$9.9 million	100%

Assumptions:

- One year pilot program
- There are 195,000 trips/day on the M7 (cars passing through toll points), which equates to 71,175,000 trips/year
- There are 137,000 unique drivers on the M7 every year
- 34% of drivers will meet the eligibility threshold of driving on the corridor more than four days/week
- 80% compliance rate with the scheme
- Average annual reward is \$250, to be dispersed at shorter intervals e.g. quarterly

POTENTIAL FUNDING SOURCES

As a pilot, it is proposed the program would be financed through contributions from toll operators and sponsors, who can provide technical platforms, data access and reward distribution interfaces. The pilot has the ability to extend to partnerships with fuel providers, insurers or financial institutions interested in safe driving and sustainability initiatives.

For a larger roll-out across multiple public roads (tolled and non-tolled), funding from the NSW Government can be sought, through programs such as the NSW Road Safety Program or the National Road Safety Strategy's innovation or behavioural streams. Public-private collaboration would spread financial risk, increase stakeholder buy-in, and boost public visibility of the scheme.

There is also opportunities to frame safe driving rewards as community benefits and household savings, supporting the work of the Commonwealth or state cost-of-living support packages, framing safe driving rewards as community benefit and household savings.

ALIGNMENT WITH TOLL REFORM AND COST OF LIVING CONTEXT

The \$60 weekly toll cap currently in place in NSW, funded under the NSW Government's Toll Relief Program, is time limited, with Government announcing its expiration on 1 January 2026.

The winding back of the toll cap could generate public sensitivity to cost increases, making an incentive program even more politically and socially relevant. Introducing a reward-for-compliance scheme alongside toll reform offers a strategic opportunity. Rather than relying only on rebates or caps, the Carrot for Compliance program can provide value directly to those who drive safely, transforming some of the burden of road charges into a performance-based return. This alignment enhances the appeal of toll reform to motorists, supports cost-of-living concerns, and positions the pilot as a forward-looking policy experiment in value for road users.

The proposed funding model is realistic, scalable and contextually timely. The one-year, \$10 million pilot would enable the industry to test real behavioural outcomes, refine parameters, and build the case for broader roll-out.

Over time, the program could transition to a sustainable model funded through contributions from government, insurers and toll operators, while reinforcing public safety, affordability and innovation.

Conclusion

Road trauma continues to impose a significant social and economic burden on NSW, with traditional enforcement and infrastructure strategies reaching their limits in driving sustained behavioural change. This report presents a compelling case for a paradigm shift, moving from punitive measures to a model grounded in positive reinforcement and incentivisation.

Through extensive research, stakeholder engagement, and analysis of global best practices, it is evident that incentive-based programs can effectively influence driver behaviour, particularly in promoting speed compliance.

The proposed initiative [The Carrot for Compliance: Rewarding Safe Speeds for Safer Roads](#) offers a scalable, cost-effective, and innovative solution that leverages existing tolling and speed monitoring infrastructure to deliver tangible rewards to safe drivers.

The recommended pilot on the M7 Motorway provides a suitable opportunity to test this approach, with the potential to expand across NSW and nationally.

By embracing incentivisation, NSW can lead the way in redefining road safety, transforming compliance from a duty into a rewarding habit, and fostering a culture where safe driving is recognised, encouraged, and sustained.

“NSW can lead the way in redefining road safety, through fostering a culture where safe driving is recognised”

Appendices

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Project Team



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Reference Register

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1	TfNSW / NSW Centre for Road Safety https://www.transport.nsw.gov.au/roadsafety/statistics
2	Swedish speed camera pays drivers to slow down https://www.aap.com.au/factcheck/swedens-speed-camera-lottery-hit-a-red-light-years-ago/?utm_source=chatgpt.com
3	Road Vehicles Australia - Bureau of Infrastructure and Transport Research Economics (BITRE) https://www.bitre.gov.au/
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5	ANU Study, Social Cost of Road Crashes 2022 https://datahub.roadsafety.gov.au/safe-systems/safe-road-use/social-cost-road-crashes#:~:text=We%20engaged%20the%20Australian%20National%20University%20to%20update,r eported%20in%20Social%20Cost%20of%20Road%20Crashes%20%282022%29.
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Number	Reference
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13	Fabri, M., Barbieri, P.N., & Bigoni, M. (2019). Ride Your Luck! A Field Experiment on Lottery-based Incentives for Compliance. https://events.bse.eu/live/files/2370-marcofabbri60340pdf

Evaluation of Current Initiatives

Incentive 1: Insurance Incentivisation			
Pros	Cons	Barriers	Scalability
<ul style="list-style-type: none"> Established mechanism Reduced premiums 	<ul style="list-style-type: none"> Questions around traceability Only visible if claims are made Others could be impacted / affected No Claims Bonus are capped therefore incentive not necessarily there for ongoing safer driving Limited to vehicle damage which does not drive improved behaviour 	<ul style="list-style-type: none"> Shopping around insurers can provide better value than the amount of incentive May not carry across to another insurer Demonstratable innovation not necessarily there 	<ul style="list-style-type: none"> Existing incentives – structure is there
Incentive 2: Demerit Point System			
Pros	Cons	Barriers	Scalability
<ul style="list-style-type: none"> Statewide reach allows broad impact Encourages improved driving behaviour Targets drivers with poor driving records Government data enables measurable outcomes Cost-effective compared to licencing discounts 	<ul style="list-style-type: none"> No incentives for drivers without demerit points Impact varies across individuals No benefit for consistent safe drivers Perceived inequity across driver population 	<ul style="list-style-type: none"> Only targets drivers with existing demerit points Focuses on correcting poor behaviour rather than rewarding good behaviour Requires enforcement mechanisms to track penalties Public perception and fairness concerns 	<ul style="list-style-type: none"> Limited to specific driver segments Effectiveness may be reduced in states with existing programs Scalability depends on enforcement infrastructure Scalable with proper data integration

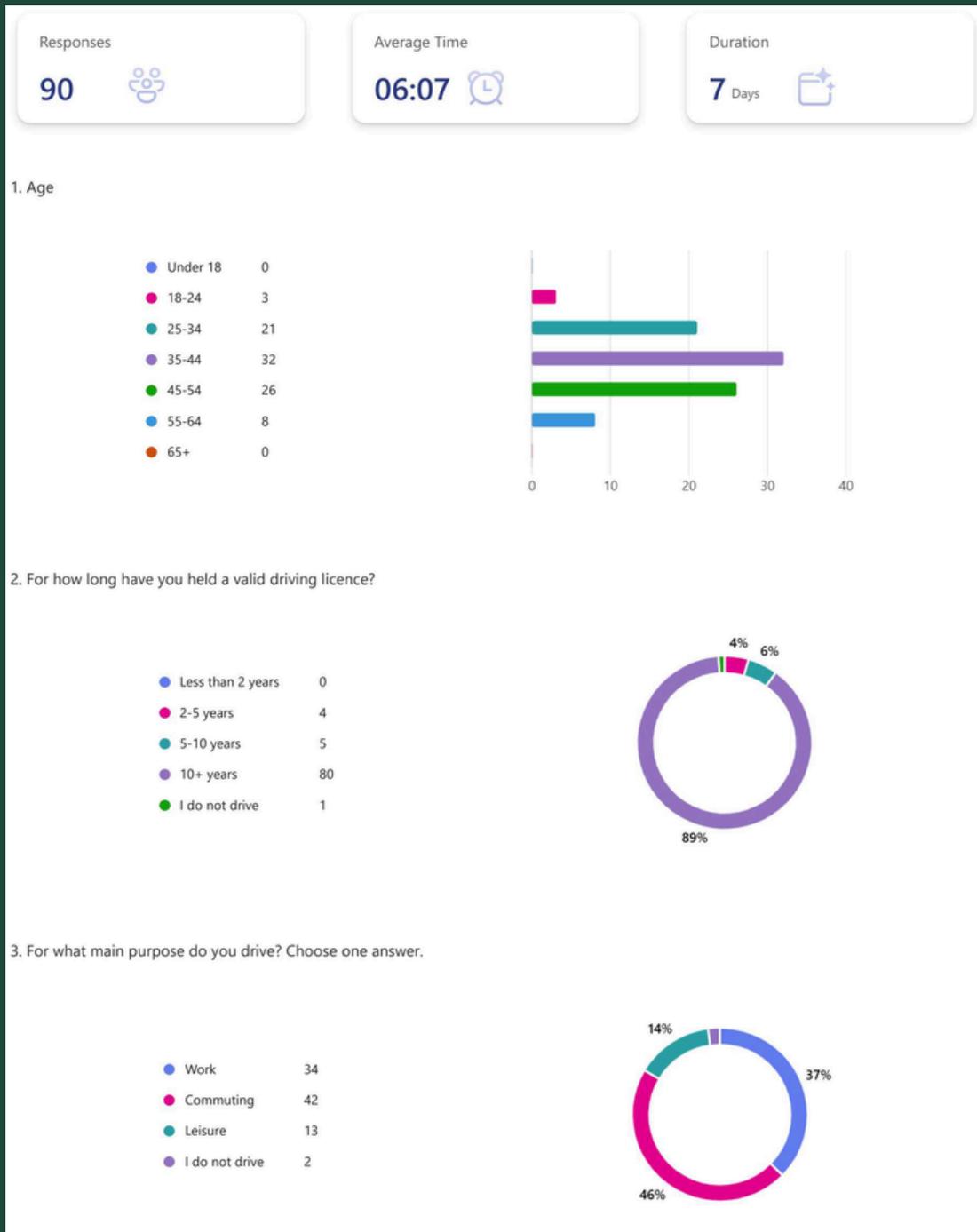
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Incentive 3: Corporate Level Benefits Scheme for Employees			
Pros	Cons	Barriers	Scalability
<ul style="list-style-type: none"> Individual is incentivised with an ongoing scheme Could be added to existing bonus schemes as a hard gate Could help organisations reduce insurance premiums and claims costs 	<ul style="list-style-type: none"> Longevity. Costs of bonuses to company and whether that can be budgeted i.e. cost neutral program (savings from fuel use / crashes etc) Cost of tech / equipment to roll out to company vehicles This could be received negatively in private businesses that have a yearly bonus system if seen as just taking up part of that scheme 	<ul style="list-style-type: none"> Level of incentive enough to change behaviour long term Measurability of effectiveness of incentive 	<ul style="list-style-type: none"> Good considering limited use in Australia
Incentive 4: My Drive Hero App			
Pros	Cons	Barriers	Scalability
<ul style="list-style-type: none"> Existing and established app with proven functionality Technical support available through the existing app platform Tangible rewards offered; users choose the reward they want No additional hardware required - only a mobile phone 	<ul style="list-style-type: none"> Subscription model requires users to pay for access Limited behavioural parameters tracked (e.g. only speed and phone use) Data is captured via mobile phone, which may raise usability concerns Lack of detailed behavioural tracking beyond basic metrics 	<ul style="list-style-type: none"> User uptake may be limited due to cost or awareness GPS based accuracy may vary depending on device quality Incentive value may not be sufficient to drive long-term behaviour change Privacy concerns regarding data collection and usage 	<ul style="list-style-type: none"> Can be deployed nationwide across Australia Innovation is incremental, building existing tech Potential for expansion with additional reward partners
Incentive 5: Driver Licence Registration			
Pros	Cons	Barriers	Scalability
<ul style="list-style-type: none"> Rewards good driving beha 	<ul style="list-style-type: none"> Reliant on current government's agenda and budget. New governments can change/take away scheme. This will limit public take up/time investment into especially given the 5-year offence free period in the NSW example. 	<ul style="list-style-type: none"> Perceived equity across population Each state has their own registration scheme and uses license fees in different ways / means via their own treasury Funding of the discounts and ability to present a "Business Case" 	<ul style="list-style-type: none"> Possible at State level.

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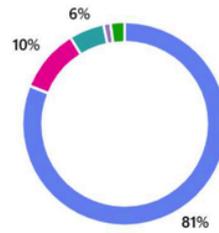
Incentive 6: Driving Course Incentives			
Pros	Cons	Barriers	Scalability
<ul style="list-style-type: none"> Can provide less experienced drivers with valuable skills Upskilling of existing drivers 	<ul style="list-style-type: none"> Targeted at those who are obtaining a licence e.g. younger people One time training only. Does not expire therefore there are no refreshers Doesn't provide an ongoing incentive 	<ul style="list-style-type: none"> Keeping the material relevant and refreshed over time to benefit and cater for all drivers Licence rebates will involve government budget approvals 	<ul style="list-style-type: none"> Limited given existing no claims bonus and premium savings offered already Current example allows extension to use telematics as source

Survey Questions & Analysis



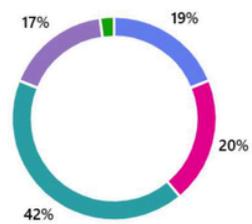
4. How often do you drive?

● 5+ days per week	73
● 3-4 days per week	9
● 1-2 days per week	5
● I only drive for leisure	1
● I do not drive	2



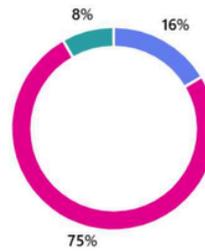
5. How often do you drive on Toll Roads?

● Daily	17
● Weekly	18
● Monthly	38
● I never drive on Toll Roads	15
● I do not drive	2



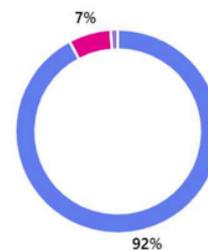
6. Based on your own experience, what is your perception of road safety in Australia?

● Good, no problem	14
● Could be improved	64
● Bad, dangerous	7



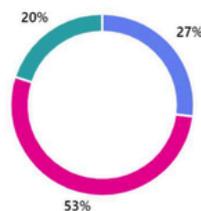
7. In your opinion, what is the biggest cause of unsafe driving?

● Driver behaviour	83
● Road infrastructure	6
● Older (less road worthy) vehicles	0
● Unsafe driving is not a problem	1



8. How motivated would you be to improve your driving behaviours if you were incentivised?

● No increase in motivation, safety comes first	23
● Somewhat motivated	45
● Extremely motivated	17

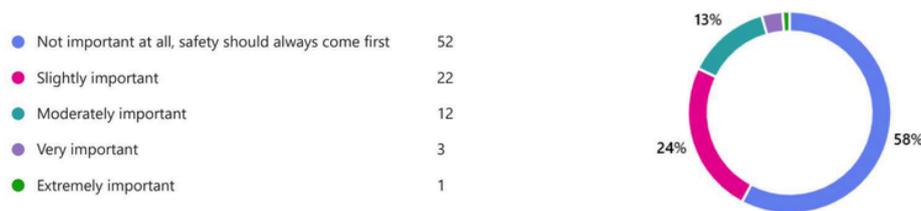


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9. What type of incentive would most encourage you to adopt safer driving habits? Please rank your answers, with 1 being the most encouraging incentive and 10 being the least likely to positively impact your driving behaviour.



10. How important would public recognition (e.g. Leaderboard Rankings, Certificates) be in motivating you to drive more safely?



11. If a mobile app tracked your driving performance and gave you feedback plus rewards, how comfortable would you be using it?



12. What level of incentive would encourage you to improve your driving behaviours? Note: incentives would only apply to drivers with no infringements (including speeding), during a set period of time.

