

## **ROAD ACCESS PRICING**

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**Date Received:** 1/02/2013



## COMMENTS TO NSW ROAD ACCESS PRICING INQUIRY

by

**10,000 Friends of Greater Sydney**

### OVERVIEW

The Inquiry is perfectly timed to provide vital input to the NSW Transport Master Plan as funding of that plan is its most significant aspect of concern.

It is noted that the Transport Master Plan is looking to rationalize tolls on the Motorway system to be all embracing, distance based and equitable and for subsidies on tolling to be removed and subsidies to public transport fares reduced and also to review motor vehicle registration.

We note the proposed Inquiry plans to examine these aspects but widen the scope especially relating to road access.

We support the scope of the Inquiry and consider it valuable input to implementation of the Transport Master Plan with the proviso that the two be coordinated.

### SPECIFIC COMMENTS TO ISSUES RAISED

#### **Equitable charging for road access based on actual costs and the impact of road use**

The most significant short term contribution here is through revision of the existing registration system to make it more meaningful in both sharing of cost of damage caused to the road pavement but also in encouraging use and of preferred vehicle types and configurations.

The review of motor vehicle registration should embrace three components in fixing the registration charge -

- vehicle safety related to the safety of vehicle performance;
- environmental impact related to energy consumption;
- and weight which directly translates to road deterioration (this is especially applicable to trucks)

#### **Encouraging the use of different modes of transport**

The most significant aspect here is pricing. While public transport fares in NSW are heavily subsidized and low relative to other countries and any increase could be justified to fund infrastructure, there are other means of encouraging use through pricing, for example -

- Preferential treatment to public transport on Motorways with lower or no toll;
- Introduction of high occupancy transit (HOT) lanes on Motorways especially when expanded. These HOT Lanes are designated lanes for vehicles seeking faster travel at a fee for use but which are free for public transport vehicles and vehicles with significant numbers of passengers. The funds derived from the fee paying users are used to fund the motorway expansion.

Also removal of disincentives to use of public transport will encourage use. Removal of the surcharge on rail patrons using the Airport Stations, as proposed by the Transport Master Plan, is an example

Also priority treatment for PT at intersections, transit lanes, exclusive busways. Improved frequency of service to avoid timetables, reliability of service

#### **Generating sustainable levels of income for maintenance of, and investment in, the transport network**

Two aspects here are -

- truck costs, being dealt with largely by NTC; and
- road charging to complement and progressively replace fuel taxes

### **Providing pricing signals to road users by time of day, distance and type of road**

The greatest opportunity in this respect is with the tolling system on the Motorway network which could be a fore-runner to a road charging system. This is discussed below.

#### Motorway Tolling for Equity, Traffic Management and Money for Infrastructure

As a first step to a road charging system, a revised motorway tolling regime is needed to get motorists to accept changing for road management as distinct to tolls for paying to build the road only.

Motorway tolling has been discrete in Sydney for each specific piece of road infrastructure with huge variations in cost per kilometer depending on whether a surface road or a road in tunnel. This has distorted the price from a motorist viewpoint with huge inequities across the network, e.g, near free M5 route with cash back and high charge for M2 and Lane Cove tunnel route. The charge is related purely to cost of the facility and time when built and the imposition of a toll purely to political impact and expediency.

In contrast, tolling on the motorway network can be more equitable, used as a traffic management tool and also the basis for increased funds flow to finance new transport infrastructure. If coupled with a modest increase in public transport fares, i.e. about 50 cents per trip it could form the basis for implementing major enhancements to the Sydney transport network.

The proposal is -

1. Provide distance based tolls on all motorways within the Greater Sydney Region covering every element of every trip. This would require overhead gantries to be provided on all routes.
2. Provide consistent toll rates per kilometer across the network varied only by location with higher rates in higher capacity areas e.g. towards Sydney CBD
3. Provide time of day variation between peak periods and out-of-peak to reduce peak flows

This can readily be 'negotiated' with toll operators by ensuring no change in revenue derived by operators and no change in basis for charging. Operators would still receive the predetermined contractual income derived from the number of vehicles passing their tolling points and the contracted toll levied.

However the charge collected would be that predetermined by government based on the 3 criteria abovementioned. Any shortfall to the operator would be made up by government and any additional revenue collected returned to government. As the system would derive a substantial amount of extra revenue, the existing tolls could be reduced in each case so if any change the reduced toll would increase vehicle throughput giving a net benefit to operators - a win-win all round, extra traffic on existing tolled sections giving modest increased revenue to operators, greater spread of peak giving benefit to all road users, greater equity to system giving benefit to the community across all regions and greater funds to government to enhance the transport network in Sydney.

## **Review of public transport pricing**

This review is well overdue. In our view public transport fares should be increased to at least reduce subsidies where most appropriate as in CBD areas.

The present fare regime distorts decisions on choice in funding transport operations and infrastructure. But at the same time other techniques should be employed to make public transport more attractive to users especially in the eastern area of Sydney which has outgrown accessibility being provided by cars.

There are also other techniques for reducing or optimizing value in transport provision that would reduce the impact on Public transport funding -

- move to purchase of 'of-the-shelf' modern single deck carriages ASAP rather than later and save about \$1 million per carriage.
- At same time move quicker to ATO train operation with saving in operation with reduced staff (no guards; to obviate conflict with Unions, train them all as drivers)
- Fully franchise bus operations instead of the present arrangements and use capital derived to expand the program works.
- 'Capturing value from publically funded investments'. The best model is to identify beneficiaries and then see how some of the benefit they derive can be captured. This requires a project specific approach and fresh initiatives to meet each situation. Tolls and fares are obvious and simplest means but other options need to be developed.

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*Signed on behalf of myself and the Directors*

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