

## **ROAD ACCESS PRICING**

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## **INQUIRY INTO ROAD ACCESS PRICING - AITPM COMMENTS**

Thankyou for providing the Australian Institute of Traffic Planning and Management (AITPM) the opportunity to make a submission for this important Inquiry. The comments supplied in this letter have been developed through feedback from AITPM's extensive national membership base, with particular input from our New South Wales State Branch.

### **Overall Comments:**

- The proposal to develop and implement a road access pricing strategy for New South Wales (NSW) is supported by the Australian Institute of Traffic Planning and Management (AITPM).
- The AITPM's view is that the outcome of the implementation of any such strategy in NSW should fully re-invest the revenue collected from such a scheme on public transport and cycling projects in areas where the motorists may not have any option but to use a car for travel and on targeted, road network improvement projects.
- The AITPM also believes that the implementation of such a scheme should not unfairly disadvantage those that live on the urban fringe and may have no option but to travel long distances to reach employment destinations by car or public transport.
- The following sections outline these views in more detail.

Comments on how a road access pricing strategy could contribute to the following issues:

<b>Issue</b>	<b>Comments</b>
Equitable charging for road access based on actual costs and the impact of road use	<ul style="list-style-type: none"><li>• The underlying principle of any road access pricing strategy should be to ensure that those persons that use a particular section of the road network pay a proportional share for this privilege.</li><li>• It is considered that this approach to charging motorists is more equitable than trying to raise revenue by imposing a fuel excise on all consumers and then using the revenue raised for various other purposes. It should be recognised that vehicle fuel efficiency is increasing which is consequently leading decreasing revenues to governments. Taxes, levies, duties and other income are already collected by governments at all levels to cover road maintenance and construction costs. Should road user pricing be introduced, consideration should be given to reducing or removing these other taxes and charges.</li><li>• A review of the existing motor vehicle registration should be undertaken which should consider vehicle safety, environmental impact and vehicle</li></ul>

Issue	Comments
	<p>weight when determining registration charges.</p> <ul style="list-style-type: none"> <li>The revenue that is raised from any such scheme should be re-invested in (a) public transport projects where the motorists may not have any option but to use a car for travel, (b) cycling projects aimed at work trips and (c) targeted road network improvement projects, .</li> </ul>
	<ul style="list-style-type: none"> <li>It will be more palatable to the motorists if there is transparency as to where the collected revenue is being used and how it may be helping reduce other taxes/charges that motorists would otherwise have had to pay.</li> <li>The benefits to the community needs to be clearly spelled out, for example, data should be recorded and provided regarding the level of reduction in congestion by the increase in average travel speed experienced by motorists and the amount of emissions reduced as motorists are not driving in a “stop-go” manner for the major portion of their journey. Care and thorough planning must be taken with this area as the ongoing monitoring costs can be very significant as per the London Cordon Scheme.</li> <li>To charge equitably, the type of road access pricing that should be introduced should, ideally, be one that is based on distance, time of day and location. This would require wide-ranging system of surveillance that may be very difficult to implement. Technology that would enable accurate information to be recorded regarding type of vehicle, distance travelled, time of journey and road used would need to be considered. A long term approach must be taken to ensure that the technology has a reasonable life span, is affordable and reliable.</li> <li>People in regional areas have little or no public transport and rely on roads for their transport. Consideration should be given to moderation of road user pricing to account for this reliance and, in general, for the longer trips undertaken. Those persons with mobility impairments, who may have no choice but to drive, should be exempt from having to pay to access the road network. The rate of deterioration of roads is not directly proportional to the traffic volume with significant impact from the dynamic tyre loading pattern of heavy vehicles – the fees to be charged for various classes of vehicles would need to consider the varying proportions of the various vehicle types throughout the life of the system.</li> <li>The benefits derived after the implementation of such a system should be clearly and regularly communicated to the motoring public so that there is increasing support for the scheme.</li> <li>Traffic on adjacent roads need to be monitored to determine if there is an increase once the scheme is implemented and implement remedial measures if such increases are observed. Consideration should be given to distributing a portion of the revenue generated to roads authorities</li> </ul>

Issue	Comments
	<p>that are responsible for the maintenance of surrounding streets if there is a situation where “rat running” through non-tolled streets is observed.</p> <ul style="list-style-type: none"> <li>Any road user pricing system that is introduced should consider the cost of damage to the road network, so that it can levy charges on road users</li> </ul>
	<p>and use them to make sufficient funds available to keep the road network maintained over time. The system should be a cost recovery system rather than an expenditure recovery system so that road assets are not allowed to deteriorate and all genuine road maintenance needs are met. With regard to local road funding in NSW, any road pricing system that is implemented should give due consideration to the following:</p> <ul style="list-style-type: none"> <li>Under a better system, all local governments would be required to provide a simple, regular condition and cost report for their road networks;</li> <li>Provision of these reports should become a condition of receiving grant funding from higher governments;</li> <li>This information would then be collated, published and analysed by a national road portfolio manager, and would inform a better road pricing system and funding allocation approach;</li> <li>Basic own-source revenue and higher government grants would continue to flow to local governments on a horizontal equity funding basis, forming the ‘rump’ of local road funding; <u>but</u></li> <li>A separate pool of grant funds would be set aside;</li> <li>Local governments, local industries and alliances of these groups would be encouraged to come forward with business cases for funding from this separate pool of funds on an efficiency basis, drawing on the road condition information available through the national road portfolio manager;</li> <li>The part of the network that was not identified for efficient funding opportunities could continue to be funded on a community service obligation basis, but the efficiency fund would start to allow road pricing and grant allocations to make more efficient and targeted future allocations in local roads, at higher levels of funding where greater funding outlays proved efficient.</li> </ul>
	<ul style="list-style-type: none"> <li>Motorists, generally, are very unwilling to get out of their vehicles unless they can clearly see one of the following (a) travel time benefits (b) ability to complete the trip in one mode rather than having to interchange and do it via multiple modes (c) public transport options are available which will take them from their origin to their destination and</li> </ul>

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	<p>(d) parking management measures at their destination makes it unattractive for them to drive their cars (because of a lack of car parking spaces or time-limited parking restrictions or high car parking fees).</p> <ul style="list-style-type: none"> <li>• A review of the parking space levy should be undertaken which considers geographical application and applicability.</li> <li>• As stated in the AITPM's submission on the Draft NSW Transport Master Plan, there should also be an objective to reduce the amount of travel and transportation necessary. Decentralisation of the Sydney CBD in conjunction with development of regional town centres will allow for a redistribution of employment opportunities and as a result reduce congestion resulting from long distance commuting. Demand management should also be a primary focus by the State Government. Also, as noted in its previous submission on the Draft NSW Transport Master Plan, that consideration should be given to developing Parramatta/Liverpool/Campbelltown and Penrith as alternate city centres to that of the CBD. These centres can provide employment opportunities for a wider range of professions to provide a better balance between residence and job location thus reducing overall travel necessary for residents within Western Sydney. These matters should be referred to the Department of Planning and Infrastructure for their consideration and action.</li> <li>• Demand for travel can be managed through the implementation of a road access pricing scheme so that motorists think and plan in advance the journeys they need to make which, in turn, could result in less congestion on the road network. Motorists would be required to plan journeys based on time of day, route to be taken, mode of travel and whether or not driving is essential – leading to congestion reduction on the road network at critical times of the day. If charges are varied based on time of day, this is expected to discourage motorists to travel on certain roads and certain times of the day and exploring alternate modes of transport (only if such options are readily available). It is expected that motorists that do not need to access an area will go elsewhere and the frequency of travel to an area within a road access pricing scheme will decrease.</li> <li>• Electronic tolling should be introduced on all motorways and existing toll plazas to be removed to improve travel times and reduce bottlenecks. Consideration should be given to the introduction of high occupancy transit lanes on motorways and hypothecate toll revenue to improve public transport and road networks within tolled corridors. We need to stress caution here as most HOV or HOT lanes have compliance and enforcement issues that are not easy to resolve. These types of lanes on freeways also introduce weaving/lane changing safety issues to get in/out of the lanes.</li> </ul>

Issue	Comments
	<ul style="list-style-type: none"> <li>• Consideration should be given to removing the surcharge on rail patrons using Airport Stations.</li> <li>• Priority treatment should be given to public transport at intersections, transit lanes, <u>exclusive busways with improved frequency, reliability and</u></li> </ul>
	<ul style="list-style-type: none"> <li>• <u>real-time information.</u></li> <li>• Transport modelling forecasts of road pricing projects should, preferably be undertaken by the use of two models instead of just one in order to improve the level of confidence for decision makers and to minimise the risk of erroneous forecasts. Also, such models should be assessed by an independent panel. Models should also be tested against most recent research and calibrated/re-calibrated accordingly.</li> <li>• Road Access Pricing should be considered as part of an Integrated Transport Strategy and complement the recommendations of the NSW Transport Master Plan. Incentives (high occupancy transit/multi-occupancy vehicle lanes) should be offered within the priced corridors to attract traffic into them and keep traffic out of local roads. Motorists using such lanes would thus be able to travel faster and would be required to pay a fee but public transport vehicles and vehicles with more than one occupant should be required to pay a lesser fee.</li> </ul>
Generating sustainable levels of income for maintenance of, and investment in, the transport network	<ul style="list-style-type: none"> <li>• The Road Access Pricing Strategy is expected to result in revenue generation as there will be motorists that are willing and able to pay extra for the added convenience, comfort and travel time saving resulting from the use of a road network under a road access pricing scheme.</li> <li>• There can be community backlash if the process of revenue collection and expenditure is not transparent. There needs to be an identified, prioritised list of public transport and road network capacity improvement projects where these funds will be used.</li> <li>• Some aspects to be considered are truck costs (being dealt with largely by the National Transport Commission) and road charging to complement and progressively replace fuel taxes</li> </ul>
Providing pricing signals to road users by time of day, distance and type of road	<ul style="list-style-type: none"> <li>• The benefits of a Road Access Pricing Strategy should be widely and regularly communicated during its development, implementation and monitoring phases.</li> <li>• The system that is implemented should be easy to understand, use and manage.</li> <li>• Lessons learnt from other countries should be studied carefully when devising the scheme for NSW.</li> <li>• Any system that is proposed to be implemented should commence in a metropolitan area of Sydney and progressively rolled out to other suitable areas.</li> </ul>

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	<ul style="list-style-type: none"> <li>Consider distance based toll on all motorways within the Greater Sydney Region covering every element of every trip, provide consistent toll rates per kilometre (with higher rates in higher capacity areas such as Sydney CBD) and provide time of day variation between peak periods and out-of-peak periods to reduce peak flows.</li> </ul>
A review of public transport pricing	<ul style="list-style-type: none"> <li>If the intention of road access pricing is to reduce congestion and collect revenue in the process, the funds so collected should be used to improve public transport infrastructure (safety, frequency, reliability, information). With the additional funds that are obtained, consideration should be given not to increase public transport pricing. If a mode shift to public transport is to be achieved, increases to public transport fares will send negative signals to the travelling public.</li> <li>In its submission to the Draft NSW Transport Master Plan, the AITPM has previously recommended that consideration be given to developing Parramatta/Liverpool/Campbelltown and Penrith as alternate city centres to that of the CBD. These centres can provide employment opportunities for a wider range of professions to provide a better balance between residence and job location thus reducing overall travel necessary for residents within Western Sydney. These matters should be referred to DoPI for their consideration and action.</li> <li>It is critical that an integrated ticketing system is in place prior to the roll out of a road access pricing system. Persons living away from the city centre where public transport options are non-existent or very limited should not be penalised by having to pay a lot more travel than those living close to the city centre where more public transport travel options are available.</li> <li>Commuters should not be penalised when transferring between different modes of public transport and this should be accommodated in the new integrated ticketing system being currently trialled, e.g., there is a high cost to transfer to the Sydney Airport rail service which decreases incentive to use this service.</li> <li>Consideration should be given to purchasing “off-the-shelf”, modern, single deck carriages sooner rather than later to save on costs, move to automatic train operation, fully franchise bus operations and capturing value from publicly funded investments.</li> </ul> <p>An essential part of the road pricing review will be a public transport pricing review. Any form of road pricing is likely to impact strongly on those who live on the urban fringe. These people often have little choice but to travel long distances to reach employment destinations by car or public transport. Under the existing system those who live in the inner and middle areas pay the least for public transport, but generally can afford to pay more. A more equitable zone system and price structure is required to provide an</p>



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	equitable balance, based on affordability. Such a review should have the aim of being revenue neutral in terms of fare box collection when compared to the existing system.

[Redacted Signature]

Yours sincerely,

Mr Craig Wooldridge  
National President, Australian Institute of Traffic Planning and Management