

**Submission
No 3**

ROAD ACCESS PRICING

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To the Committee of Transport and Infrastructure

Attention Mr Charles Casuscelli M.P (Chair)

Submission on Road Access Pricing

The current system of pricing access to our road system is not logical, is discriminatory, is unfair and is not conducive to the best economic outcome for the state or national objectives.

The main factor that impacts on the New South Wales (NSW) road system is that for many decades, we as a community have not invested adequately in this and other transport infrastructure. The secondary factor is that in recent times the use of private capital has corrupted the system by the introduction of tolls, which distort the road network and are impacting on one section of our population and not others.

Considering just the main arterial road network, we as a country, need to spend an **additional** \$3 billion per year for at least the next fifteen years to make the system even remotely efficient. The tollways system has failed just as it did in most English speaking countries 180 years ago. We have tried it and should now look to alternative models to fund, build and improve our road system.

Our city, Sydney, is dysfunctional as a large population of the working population is spending over one hour per day in traffic, rather than doing productive work. Many informed observers calculate that in the order of \$12 billion per year is lost from productivity and major cost relating to vehicle ownership such as fuel, accidents and other related direct and indirect cost. The cost of doing too little far exceeds the cost of developing a more effective transport system.

I recommend that the following concept be adopted:

- 1) No more toll roads (existing toll roads to revert to State ownership as soon as existing contracts expire or be acquired)
- 2) All State vehicle costs be removed and replaced by a universal system that raises the required amount of revenue to replace current State levies plus at least an additional \$4 billion per year.
- 3) The basis of the system would be a normal fixed charge calculated on weight (e.g. say \$100 per tonne gross weight [loaded]). Plus a set amount per kilometre/tonne travelled (full or empty) each year or quarter in the case of large vehicles. This would be very small, less than 1 cent per tonne/kilometre.
- 4) The system would be based on trust with very heavy penalties for false reporting an audit system would be introduced.
- 5) The revenue would be reserved for road and related matters.

- 6) The arguments regarding special pleadings, for example, coal, agriculture, inland cities can be considered on merit and transport subsidies, if warranted, used to achieve economic or political objectives.
- 7) Local roads, bridges maintenance etc. would need to be funded as many Shires, local government areas, remote committee have major backlogs of work and legitimate social needs.
- 8) The data for implementing such a system exists within the existing organisations and with an adequate funding program, longer term policies and plans can be quickly put in place. Interstate issues can be addressed to deter avoidance.
- 9) The use of private enterprise for construction and maintenance can be organised but the risk and rewards need to remain within the public system to achieve the best and most flexible outcomes.
- 10) Longer time frames would also encourage planners to declare the route for future transport corridors e.g. F3-M7, Dean Park to Kariong, the new corridor over the Blue Mountains to Bathurst, the F6 and others.
- 11) The economic case for better public transport, a more economic road network, a safe road network is well proven. Rationing by cost is not a good answer and congestion taxes are unfair, discriminatory and not politically saleable to our community.

Conclusion

The current system is not working. Private toll roads have failed and will further distort the network if expanded. Road funding cannot be determined in isolation. Public transport in our urban areas is the key to an effective and efficient road system and cost recovery policy

Submitted by,

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Disclaimer – David Bentham is a director of the NRMA and family companies. David is a former deputy mayor and councillor of the Hills Shire and has served in other capacities with organisations and committees.

The opinions are David Bentham's personal ideas, in order to contribute to the public discussion.