

MEDIA RELEASE



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FIX NEEDED FOR BROKEN ROAD FUNDING AND PLANNING SYSTEM

The existing road funding and planning system is broken, despite the serious efforts of the Australian Government to fix it, the Chairman of the Australian Trucking Association, David Simon, said today.

Mr Simon was launching an independent report by PricewaterhouseCoopers into the road planning, funding and charging system.

In a televised address to the National Press Club, Mr Simon congratulated the current government and its Infrastructure Minister, Anthony Albanese, for establishing the NHVR, Infrastructure Australia and consulting effectively with industry.

“But too many infrastructure decisions at state and local level are still made without a long term plan. And when governments do put plans together, they are often abandoned before they are implemented,” Mr Simon said.

He said the amount of freight on Australia’s roads was projected to double by 2030, as our economy and population continue to grow.

“With continued government investment in roads, the trucking industry will be able to deal with the growing amount of freight, as long as we can use high productivity vehicles like B-triples and super B-doubles on key routes,” Mr Simon said.

A B-triple consists of a prime mover and three trailers linked by turntables. To deliver a thousand tonnes of freight, you would need 770 of the light trucks you can drive with a car licence, 42 semitrailers – or 20 B-triples.

“Very often, the industry can’t use these advanced, safe vehicles due to government regulation or the need for road upgrades.

“The report recommends that governments should set defined target standards for the roads in each tier of the freight network. The standards would be set so the industry could use high productivity vehicles on key freight routes.

“There should be a transparent formula for allocating the charges paid by the trucking industry to upgrading key routes, last mile connections and local roads to meet the standards.

“Of course, governments would then need to allow the industry to use high productivity vehicles on those routes. The place to start would be to allow B-triples and super B-doubles on the Hume Highway between the outskirts of Melbourne and Sydney as soon as the Holbrook Bypass is completed.

“As a longer term prospect, the report argues that road funding and access decisions should be separated from day-to-day politics – potentially through the establishment of a national road fund.

“The report recognises that it may be necessary to consider setting up state and territory level road funds as a first step.

A safe, professional and viable trucking industry

“We don’t ask government ministers to make decisions about where to site water mains or what capacity is needed on a power line. Yet road ministers spend a lot of time making relatively small decisions about road funding and access.

“The national road fund would develop investment and maintenance plans for major freight routes.

“Governments would be responsible for the overall direction of road investment through a master planning process. The report recognises there would also need to be a ministerial power of direction available for use in exceptional circumstances,” he said.

The report examines the way the trucking industry is charged for its use of the road system. The industry currently pays an effective fuel tax of 25.5 cents per litre and extremely high registration charges. It costs more than \$14,400 a year to register a nine-axle B-double, without including the cost of compulsory third party insurance.

Mr Simon said there were serious problems with the current charging system.

“The very high registration charges raise cash flow issues for small businesses, who have to find the amount as a lump sum. This is very hard when you’re running a business on tight margins,” he said.

“The charging system penalises operators that travel short distances. The information provided by the state governments is not audited or benchmarked to give them a reason to get the best value for money.

“The report recommends that a third party should review the figures that the state and territory governments provide the NTC.

“It also recommends that governments should reduce truck registration charges and increase the effective fuel tax paid by trucking operators to offset the decreased role of registration charges. The industry would pay a similar amount compared to the current system, but small operators wouldn’t have to manage their cash to make a huge lump sum payment once a year.”

Mr Simon said Australia’s governments were looking at a new road charging and investment system, with mass-distance-location pricing the favoured option.

“Under this option, every one of Australia’s 534,000 trucks would be fitted with a regulatory GPS device. Trucking operators would receive invoices based on the distance their trucks travelled, the roads they used and some sort of assessment of their mass.

“The governments’ own research shows this reform could have economic benefits for Australia of *minus* \$500 million.

“The report argues that Australia should not move to a system like mass-distance-location pricing until there is a proven business case. It does not support the suggestion that mass-distance-location pricing is needed to provide governments with information about where trucks go. In reality, there is a large amount of information available.

“The report also rejects the suggestion that trucking operators should have to fit specific technology to their trucks. It recommends that governments should explore low cost approaches that harness existing business systems.”

Mr Simon said the report was a report to the ATA, not an industry policy statement.

“We will consider its recommendations, but they have a great deal of merit: they build on existing policy, they are workable, and they are a step by step solution rather than a big bang,” he said.

The report and the full text of Mr Simon’s speech are available at www.truck.net.au.

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