Heavy Vehicle Road Pricing Reform in Australia - Unlocking Productivity and Investment

Submitted by: Australia
Heavy vehicle road pricing reform in Australia - unlocking productivity and investment

APEC Ease of Doing Business Workshop on Trading Across Borders

Greg Martin
Chairman, National Transport Commission
19 September 2010

Transport in Australia

• Federal system of government
• Policy and regulatory responsibilities span all levels of government
About the NTC

- Independent statutory body
- Reports to the Australian Transport Council
- Charged with improving the productivity, safety and environmental performance of Australia’s road, rail and intermodal transport system

Transport challenges facing Australia

- Sparsely populated landmass and widely separated major communities
- Twice the Task – Australia’s domestic freight task is expected to double over the next 20 years
- Australia’s productivity has slowed, with growth averaging almost zero over the past five years
Heavy vehicle pricing reform

- Introduction of PAYGO system in 1992
- Key principle – cost recovery, industry must pay their way
- Heavy vehicles are charged a combination of a fuel-based charge and a fixed registration charge

Efficient pricing and funding

Objectives:
1. To provide direct price signals to heavy vehicle road users about the cost of using roads
2. Signals to road providers about the investment opportunities across the existing road network.
MDL Pricing

MDL heavy vehicle charge is based on actual usage of the road network taking into account:

- **Mass of Vehicle**
  - (or its components)
  - Lighter load = lower price

- **Distance Travelled**
  - (kilometres)
  - Shorter distances = lower price

- **Location**
  - (eg road type)
  - Better roads = lower price

MDL feasibility study

- Study will be completed by end 2011
In-vehicle telematics

- Electronic monitoring, management and regulation of vehicles, their devices and their loads

Draft in-vehicle telematics strategy

- The Strategy maps out the potential partnership approach for technology use
- Uses an overarching set of national principles
- Builds on the foundation of Australia’s national transport policy objectives
Performance Based Standards Scheme

- Higher productivity and safety through innovative vehicle design
- Focuses on the performance of the vehicle rather than looks

Options to improve the PBS scheme

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain the status quo in which PBS acts as a national assessment system requiring state based permits for road network</td>
<td>Move to a state based assessment and access system</td>
<td>Move to national assessment and access</td>
</tr>
</tbody>
</table>
Based on future predictions, by 2030...

- 3.75 million tonnes of CO$_2$ will be saved
- Reduction of approximately 4500 heavy vehicles on the road
- Economic benefit of $3.33 billion
- Predicted fatality reduction of 87 lives

Option 3 – National Assessment and Access

National Heavy Vehicle Regulator

- Responsible for all vehicles over 4.5 gross tonnes
- National consistency in heavy vehicle regulation which means less red tape
National Rail Safety Regulator

- Introduction of a National Rail Safety Regulator by 2013

Key learnings

- Stakeholder engagement
- Proactive communication
- Reform champions
- Reform lifecycle
- Outcomes not outputs
“Difficulties mastered are opportunities won”
Sir Winston Churchill (1874 – 1965)

Questions?

LEADING TRANSPORT REFORM
The National Transport Commission (NTC) leads transport reform nationally to meet the needs of transport users and the broader community for safe, efficient and sustainable land transport.

For all the latest news and industry events visit www.ntc.gov.au and subscribe to our FREE News Alert subscription service.