



**Asia-Pacific
Economic Cooperation**

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

Submitted by: Australia



**Ease of Doing Business Workshop on Trading
Across Borders
Sendai, Japan
18-19 September 2010**



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

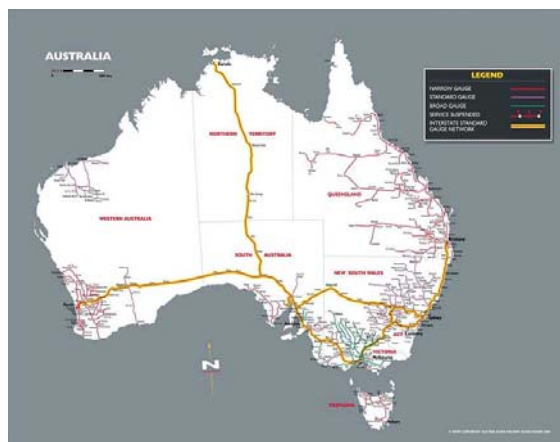


About the NTC

- 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

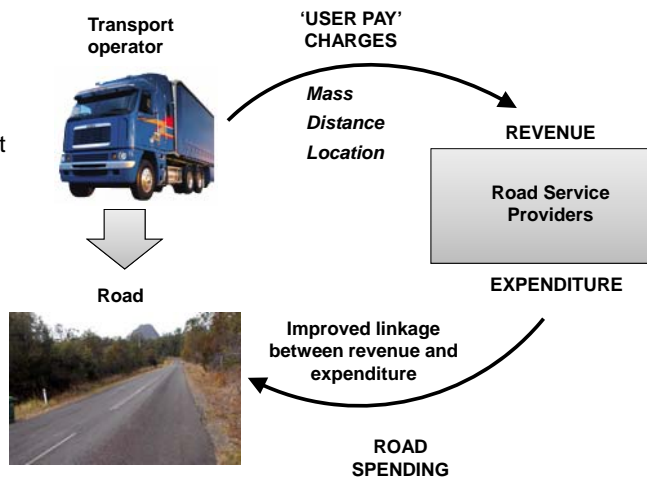
- Introduction of PAYGO system in 1992
- Key principle – cost recovery, industry must pay their way
- Heavy vehicles are charged a combination of a fuel-based charge and a fixed registration charge



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
- More information: www.ntc.gov.au or www.roadreform.gov.au



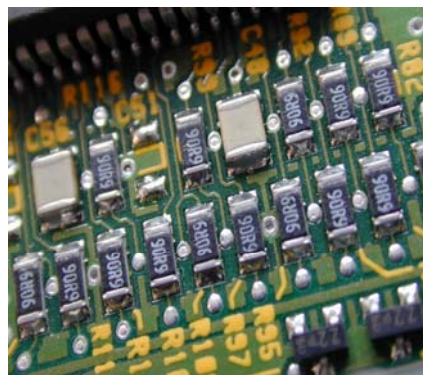
In-vehicle telematics

- **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

Option 1	Option 2	Option 3
Maintain the status quo in which PBS acts as a national assessment system requiring state based permits for road network	Move to a state based assessment and access system	Move to national assessment and access



Based on future predictions, by 2030...

3.75 million tonnes of CO₂ will be saved

Reduction of approximately 4500 heavy vehicles on the road

Option 3 – National Assessment and Access

Economic benefit of \$3.33 billion

Predicted fatality reduction of 87 lives



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?

A collage image featuring a white truck, a man in a hat and glasses, and a building. The image is overlaid with a green and white graphic design.

**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.

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The logo for the National Transport Commission (NTC) of Australia, featuring a stylized blue and white graphic of a road or path leading to the text "NTC AUSTRALIA".