PRESS RELEASE

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Road Pricing Reform is Essential

The Rail Industry strongly supports the recommendations pertaining changes to road pricing contained in the report ‘A Conceptual Framework for the Reform of Taxes Related to Roads and Transport’ released yesterday by the Treasury as part of Australia’s tax review.

"The way drivers pay for using roads is long overdue for change" said Bryan Nye, CEO of the Australasian Railway Association (ARA).

With road congestion is expected to more than double over the next 15 years and cost $20-$30 billion per annum, road authorities ever increasing demands for additional funding to meet transport needs is no longer a sustainable system; Treasure’s capacity to provide these funds is reaching its limit.

The report clearly concludes that a key issue for Australia is to move away from collecting revenues via fixed charges and variable charges toward a tax system based on user charges that account more directly for the specific costs that road users impose.

"Pricing which links road use and damage to the actual costs that users pay is an essential tool in managing our roads." said Mr Nye.

Currently, heavy vehicles travelling long distances carrying heavy loads do not pay for the damage they cause to roads. They are being subsidised by others.

Road transport agencies that have been reluctant to implement proper road pricing should consider that most major modern economies are introducing sophisticated and accurate road pricing schemes.

Mr Nye said: "Modern road pricing is now readily available and can be appropriately applied to Australia. Road pricing reform is long overdue."

"If road pricing reform does not occur, Australian business, communities and the natural environment will suffer." concluded Mr Nye.

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