



# NSW LONG TERM TRANSPORT MASTER PLAN

**RESPONSE TO THE DISCUSSION PAPER**

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## ABOUT CONSULT AUSTRALIA

Consult Australia is the association for professional services firms within the built and natural environment; influencing policy, creating value and promoting excellence. As an association, our primary focus is on improving the commercial environment for our members and raising standards across the industry.

Our member firm services include, but are not limited to: design; architecture; technology; engineering; planning; landscape architecture; surveying; cost consulting (quantity surveyors); project management; and management solutions. We represent some of the industry’s biggest players in this space with our member firms collectively employing more than 50,000 staff.

Consult Australia is a member of the Australian Sustainable Built Environment Council (ASBEC), the Australian Construction Industry Forum (ACIF), the Australian Chamber of Commerce and Industry (ACCI) and the Australian Services Roundtable (ASR). Consult Australia is a host organisation for the annual Built Environment Meets Parliament (BEMP) summit.

## EXECUTIVE SUMMARY

Consult Australia welcomes the opportunity to respond to the NSW Long Term Transport Master Plan Discussion Paper. The challenges facing NSW associated with higher than previously forecast population growth, climate change and the need for a more sustainable approach to urban planning, affordability, liveability and governance are substantial. To meet these challenges, investment in transport must be prioritised, planned and aligned with broader state and national policy settings.

Infrastructure investment and planning provides the network that enables Sydney and NSW more broadly to meet these challenges and evolve in response to future demographic, environmental and economic changes.

In November 2010, Consult Australia launched *Transporting Australia's Future*, a call to action for governments to back new ways to secure infrastructure funding specifically for transport infrastructure as a core driver of productivity. This report recommends widespread tax reform and the establishment of new governance mechanisms to ensure sustainable long-term sources for infrastructure funding.

In February of this year, Consult Australia published *Tomorrow's Cities Today* identifying practical recommendations for all spheres of government to realise the goals of the National Urban Policy: for more productive, sustainable, liveable, better governed cities. These are important goals and form a useful framework against which to consider the development of a Long Term Transport Master Plan for NSW.

Drawing substantially on this earlier thought leadership work undertaken by our members, this submission recommends the prioritisation of infrastructure funding and the delivery of state-based infrastructure funding mechanisms. With a growing infrastructure deficit across Australia, and with funding severely constrained, it is vital that longer term funding is released to build the economic infrastructure critical to urban development, state and national productivity.

In this context crucial decisions continue to be required to prioritise the delivery of projects with limited resources, and in the face of an ongoing skills shortage. This prioritisation needs to take account of the whole-of-life costs of a piece of infrastructure and determine value for money, the balance between capital and maintenance expenditure and sustainability. To ensure a Masterplan capable of achieving real change, alternative models are essential to finance project delivery, streamline procurement and maintain investment in infrastructure across generations.

Alongside these core recommendations, Consult Australia is a strong advocate for those principles that encourage more sustainable communities through better use of transit corridors, integrated planning, and land-use that facilitates better use of existing and planned infrastructure. A commitment to this type of planning and the prioritisation of infrastructure supporting this planning across our cities is essential.

## RESPONSE TO THE DISCUSSION PAPER

### THE 20 YEAR CHALLENGE

#### *Transport and urban development*

The *State of Australian Cities 2010 and 2011*<sup>1</sup> reports note that Australia is one of the most urbanised countries in the world, with 75 per cent of our population living in cities. The New South Wales economy is larger than that of Hong Kong SAR, Malaysia and Singapore and accounts for more than one third of Australia's GDP. As the city grows in stature, international appeal and population, so too does the pressure on its infrastructure, utilities and services such as transportation. The pressure on Sydney's transport corridors has increased to critical levels.

According to the 2010 Intergenerational Report, we are projected to have a population of around 36 million by 2050. Sydney is projected to grow in size to around 7 million people by 2050.

Congestion is already a major issue. But urban traffic is forecast to grow by 37 per cent between 2005 and 2020. The avoidable costs of congestion in capital cities are forecast by some to double over the decade to \$20 billion in 2020.

The challenges facing our city associated with higher than previously forecast population growth, climate change and the need for a more sustainable approach to urban planning, affordability and governance are substantial. It is via the infrastructure provided through our city; the road, rail and ports that connect our city with the rest of the world that we are able to harness continued opportunities and connect with the global economy.

Our transport infrastructure provides access to employment, facilitates social inclusion, and allows our cities to grow. Not only does transport directly contribute to the wellbeing of Australian communities, transport infrastructure investment has significant multiplier effects, amplifying the benefits throughout the economy.

Evidence provided to the US Congress as part of the Intermodal Surface Transportation Efficiency Act of 1991 and again in its 2009 Re-authorisation, identified the threat that underfunded public investment can stall productivity growth. The link between economic strength and infrastructure investment has been re-asserted around the world in the face of the 2008/9 Global Financial Crisis (GFC).

The development of a long term transport master plan for NSW is long overdue and a welcome step towards grappling these high level challenges.

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<sup>1</sup> Australian Government Department of Infrastructure and Transport. 2010. *State of Australian Cities 2010*. Australian Government Department of Infrastructure and Transport. 2011. *State of Australian Cities 2011*.

### ***Supporting population and economic growth***

Failure of the nation's transport infrastructure makes front-page news. Rail system delays, increasing road congestion, and choked ports result in loss of productivity efficiency with high social and economic costs. In today's competitive global economy there are important implications and risks for government investment policies.

While public investment in transport infrastructure has followed population growth, it has failed to keep pace with our economy (GDP), this being partly offset by private investment. Recently, AusLink investment and stimulus response to the GFC have increased public investment, but private investment has declined.

Nevertheless, infrastructure gaps persist, particularly, near and between major cities. Of significant concern, infrastructure maintenance has not kept pace with new investment.

### ***Frustrated community expectations***

The Sydney Morning Herald sponsored a non-government public enquiry into long-term public transport planning for Sydney, to inform decisions by future governments on the priorities over the next 30 years. The 2009 Inquiry reported increasing frustration in the community regarding declining levels of service, increasing congestion, unmet expectations, and yet a willingness to pay for improvements. Similar sentiments have been reported in other cities. It mirrors a mismatch between public sentiment and politicians' perceptions of willingness-to-pay identified in the 1990s. Many city commuters have no alternatives to private travel on congested roads. Poor access to transport alternatives amplifies the frustrations of poor service quality. With arterial peak hour travel speeds declining, congestion and resultant "road rage" are on the rise.

### ***Healthier Communities***

The impact of our cities and their car dependence on our health and wellbeing is striking. The economic costs of congestion are well known. Increasingly the social costs are gaining prominence. Longer commutes have been shown to have negative consequences for personal productivity and overall health and wellbeing.<sup>2</sup> People with longer commutes have been shown to be relatively less well off: less likely to be partnered and have lower wages – partners of individuals with longer commutes have been shown to have lower well being.<sup>3</sup>

Alongside the costs of congestion, for those diseases or conditions comprising Australia's National Health Priority Areas (e.g. including Type 2 Diabetes, Coronary Heart Disease, Stroke) physical inactivity has been ranked second only to tobacco smoking, in terms of the burden of disease and injury from risk factors in Australia.<sup>4</sup>

Physical activity has a beneficial effect on improving various aspects of health including cardiovascular disease, musculoskeletal health and diabetes. Physical activity may also assist in the reduction in symptoms of depression and reduce the risks of developing some cancers, such as prostate cancer.<sup>5</sup>

In this context, in addition to reducing congestion, the links between active and public transport and healthier communities are of increasing importance.

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<sup>2</sup> Daley, John. Grattan Institute Presentation. 31 January 2011. *Congestion Charging for roads: local pressures and international experience*. Roads Australia Pricing Forum

See: US Gallup poll 2010 reported in Crabtree. 13 August 2010. *Wellbeing lower among workers with long commutes*; literature summary in Flood and Barbato, 2005. *Off to Work, Commuting in Australia*. Australia Institute.

<sup>3</sup> Daley, John. Grattan Institute Presentation. 31 January 2011. *Congestion Charging for roads: local pressures and international experience*. Roads Australia Pricing Forum.

<sup>4</sup> Australian Institute of Health & Welfare. *National Health Priority Areas*. [www.aihw.gov.au](http://www.aihw.gov.au)

<sup>5</sup> Ibid.

## *Supporting Social Inclusion*

In planning our cities and prioritising infrastructure investment, governments must give greater weight to the fact that better built environments, urban spaces, reduced congestion and access to high quality public and active transport help achieve greater social inclusion and better health outcomes across the community.

The promotion of social inclusion through increasing accessibility to the transport network is an objective of the Australian Transport Council. The expansion of the ATC National Guidelines for Transport System Management in Australia to Urban Transport provides an important focus on those criteria to be considered in evaluating urban transport projects. These guidelines provide important analysis of the value of reduced car ownership, avoided car parking, decongestion, crowding, walking, access, and wait and frequency of services.

This type of analysis is critical to our understanding of the broad economic and social values attached to different infrastructure investments and urban development. However, to achieve greater social inclusion, it is critical that guidelines and standards that inform decision making comprehensively reflect the breadth of economic and social costs and benefits that we increasingly understand to exist.

In addition, cost-benefit analyses of investments in public and active transport, and other infrastructure investments, need to include consideration of the costs and benefits in terms of improved health and social outcomes; particularly where mobility and social access is improved for the vulnerable and disadvantaged. The economic and social value of this type of outcome is demonstrably higher and must be reflected in policy and investment decisions.

## **FUNDING**

### **What are the challenges for transport funding?**

Australia's economy is more dependent on transport than most other Organisation for Economic Co-operation and Development (OECD) countries. We owe Australia's economic and social development and well-being in large part to past investment decisions in transport infrastructure. Transport and logistics represent some 14 per cent of Australia's GDP and account for some 330 million kilometres of travel made every day in capital cities. Our transport infrastructure provides access to employment, facilitates social inclusion, and allows our cities to grow. It moves 520 billion tonne kms of freight each year, supplying Australia's industry, enabling export revenues, and supporting our economy. Transport represents up to 8 per cent of industry output.<sup>6</sup>

While public investment in transport infrastructure has followed population growth, it has failed to keep pace with our economy (GDP), this being partly offset by private investment. Recently, AusLink investment and stimulus response to the Global Financial Crisis (GFC) have increased public investment, but private investment has declined. Of significant concern, infrastructure maintenance has not kept pace with new investment.

The creation of Infrastructure NSW and Transport for NSW alongside the integration of the NSW Department of Planning and Infrastructure, are welcomed by Consult Australia as providing a strong framework on which to base those further reforms necessary to fund infrastructure for NSW in the future. There is much more to be done, but these have been critical first steps.

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<sup>6</sup> Consult Australia, *Transporting Australia's Future*, November 2010, [www.consultaustralia.com.au](http://www.consultaustralia.com.au)

Across Australia, the infrastructure deficit continues to grow. Future infrastructure investment in Australia that is planned, committed or under-construction stands at \$717 billion (March 2010). Over \$186 billion (26 per cent) is identified as essential transport infrastructure. More than half of this (over \$100 billion) is for government funded transport projects, including backlog projects. In the last nine years, forecast transport investment needs have increased over 300 per cent. However, Government expenditure on transport remains about 4 per cent of budget.

The National Land Freight Strategy Discussion Paper (February 2011) noted:

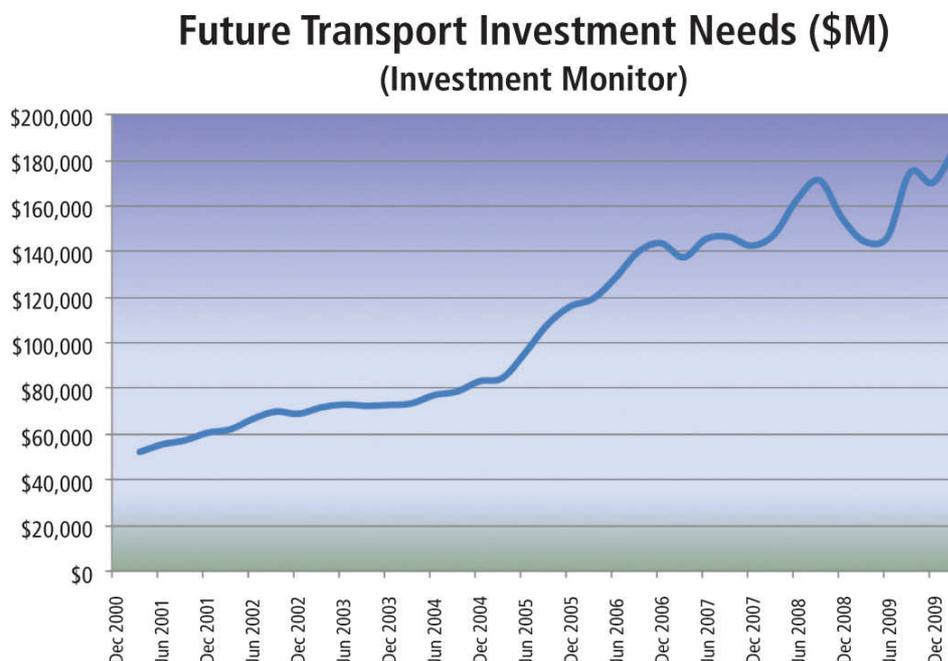
*Reliance on government funding for infrastructure is a further source of uncertainty about capacity for growth. Freight and other projects at various stages in Infrastructure Australia's project pipeline have a capital cost in the order of \$83 billion.*

*The economic argument for general taxpayer support of infrastructure principally used for commercial activities is weak. Government funds are limited and the Intergenerational Reports expect increasing pressure on government budgets. Government funds can also fluctuate over short time frames, in contrast to the long term funding streams required for major infrastructure programs.*

*While government funding may be a desirable short term position for commercial interests, there is the potential for it to lead to underinvestment in infrastructure.*

The gap between forecast transport investment needs and governments' ability to fund them, indicates that users may need to contribute more, if we want to maintain an adequate level of service.

**Figure 1: Future Transport Infrastructure Investment Needs**



However, while more direct funding is required by all governments for infrastructure, of even greater importance is longer-term reform to secure sustainable and adequate funding streams from a range of sources.

### Current sources of transport revenue

Currently government funding for transport infrastructure is mainly sourced through consolidated revenue, reflecting a political balancing between competing demands. Given other pressures on government investment, this is unlikely to change over the short term. Many "user charges" are woven into the current consolidated taxation system. Current revenue streams are mainly limited to:

- Fuel Excise
- Vehicle registration
- Parking fees
- Tolls and Ticket fares
- GST

Reliance on traditional fuel excise as the key revenue tool is internationally recognised as having limited longevity, with diminishing reserves and increased fuel efficiency curtailing revenues. An infrastructure funding regime based on fuel taxes has no sustainable future.

While revenues from transport users cover the aggregated costs of transport, they are largely treated as taxes and a net contribution to general revenue, with no accountability to transport users who are frustrated by inadequate reinvestment in transport. There is no accounting for intangible costs of transport (e.g. congestion, greenhouse emissions, community service obligations, social equity).

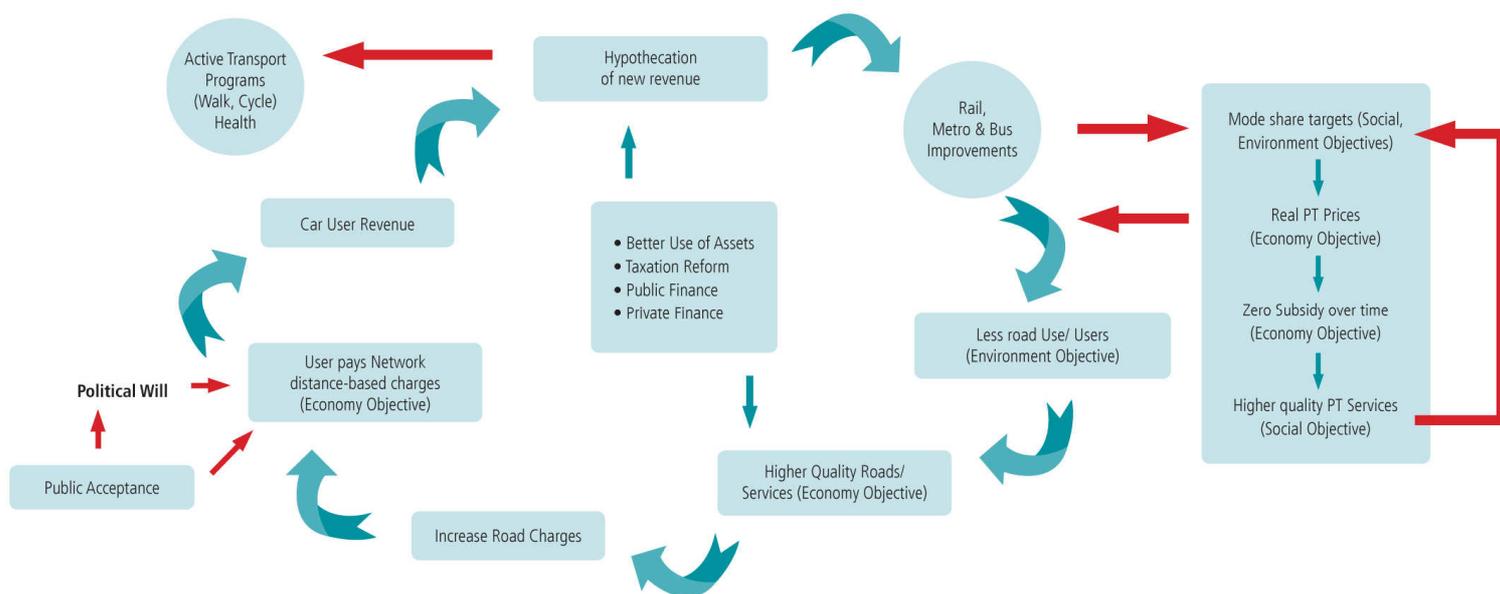
### What are the potential future approaches to transport funding?

Consult Australia's 2010 report *Transporting Australia's Future* canvases a range of funding mechanisms emerging around the world that can provide sound and proven revenue streams. New ideas need to be integrated with existing policy to deliver necessary change.

Better use of existing assets, taxation reform, private financing and public financing are all necessary to meet the demand for better transport infrastructure. Consult Australia does not consider any one of these funding streams will by itself provide a solution. All represent opportunities for reform.

In this context Consult Australia recommends:

### An Integrated Funding Framework for Transport Infrastructure



Key principles include:

- **Multiple objectives with Win-Win outcomes:** An integrated funding framework would provide confidence to implement national, city and regional transport plans, including metropolitan and inter-urban transit systems, reducing car and air travel and our carbon footprint.
- **Hypothecate new revenues to transport investment:** Community support for funding reform will be vital. Hypothecating all revenues from new sources to transport investment in a transparent integrated framework has been shown to ensure that support.
- **Cost recovery:** All transport users should cover the costs that they impose, with any subsidies and cross-subsidies being the transparent result of overt policy decisions.
- **Road pricing and real public transport fares:** These will provide additional revenues, to improve existing and support new Public Transport (PT) services, reduce hidden Customer Service Obligations (CSOs) and PT subsidies, and provide efficiency gains across all modes.
- **Phase out of indirect charges:** Integrated funding across all new sources would include reduced reliance on indirect taxes, improving funding transparency.

### ***New revenue sources***

*Transporting Australia's Future* ([www.consultaustralia.com.au](http://www.consultaustralia.com.au)) canvases a range of funding mechanisms emerging around the world that can provide sound and proven revenue streams. New ideas need to be integrated with existing policy to deliver the necessary change. Implementing just one of these reform areas would result in a noticeable difference in our ability to fund transport. It is when they are implemented together as part of an overall reform package, we as a nation could fully develop a national transport system.

### ***Better Use of Existing Assets***

Infrastructure assets that are included on government balance sheets can be better used, or provide leverage to stimulate new funding:

- **Lazy Assets:** identify balance sheet assets that are underutilised, and realise their value by sale or alternate government use;
- **Privatise infrastructure:** sell existing infrastructure to private sector to finance new investment (e.g. Telstra, QLD ports & rail; M4);
- **Transit Oriented Development (TODs):** recognise the need for higher density development, and focus on transport nodes to reinforce transport efficiency while achieving viable patronage (e.g. airspace development at rail nodes);
- **Urban Sprawl:** retain existing urban footprints and increase urban densities to reduce urban sprawl in a model of multi-centred cities with reduced trip lengths;
- **Change Mode and Time of Travel:** shift the transport focus from individual private travel to public travel in more efficient vehicles; allowing greater throughput on existing infrastructure and greater use of non-peak periods.

### ***Taxation Reform***

The Australian Government Treasury through the Henry Review has opened the door to widespread tax reform. Opportunities to restructure consolidated revenue to fund infrastructure are critical:

- **Hypothecation:** new user based revenues committed to service provision e.g. modelled on national health funding;
- **Full Cost Recovery:** ensure that users contribute the full costs of their travel choices;
- **External Costs:** include social and environmental consequences of travel in user charges, just as road safety is charged through insurance (e.g. economic delay charged through congestion charges, emission impact charged through carbon pricing);
- **Corporate Taxation:** rebalance taxation treatment of capital investment (CGT and depreciation) against recurrent expenditure (operational costs) to encourage long-term infrastructure investment;
- **Transport Pricing:** adopt appropriate technology for all transport modes to provide network-wide demand sensitive pricing to manage congestion and provide revenues for public transport.

### ***Public Finance***

Develop financial instruments to provide government with expanded sources of funds for infrastructure investment:

- **Tax Incremental Financing:** This allows a government entity to generate tax revenues based on increases in property values within a prescribed development area and use those revenues to fund the infrastructure and renewal projects that contributed to the property appreciation;
- **Developer Infrastructure Charges:** As companies develop green- and brown-field sites, the inherent values of the land increase. Transport provision for the new land-use and maintenance of transport amenity for others must be accommodated, with the developer being levied accordingly;
- **Employer Transport Levies:** Employers contribute to cost of transport in business location, based on the benefit to the employer of ready access for its employees to work e.g. levies in Ile de France;
- **Green Banking:** Establish a banking structure that allows contribution towards environmentally sensitive infrastructure investments from community and developments, including "compensatory" investments;
- **Carbon Pricing:** Embrace fully-fledged world-best carbon pricing protocols, including carbon price in all transport pricing initiatives, with increased transport revenues being invested in Green Banking;
- **Infrastructure Bonds:** Continued development of specific Infrastructure Bonds to help private infrastructure investors access large pools of retail investment funds, such as from superannuation funds. This will extend current government support of simplified bond issuance and discounts on bond interest income.

### ***Private Finance***

Develop new sources for transport financing, including new Public Private Partnerships (PPPs) and superannuation fund investment:

- **Direct Tolling:** Of new and enhanced existing infrastructure, this model continues the current theme of private debt/equity financed infrastructure retaining a period concession to directly charge users;
- **PPP Funding:** Revitalise Private Public Partnerships reflecting the success of alliance infrastructure contracting, and providing rebalanced risk sharing.
- **Land Value Capture:** As with developer infrastructure charges; with the developer financing local improvements from the increase in values.

## ***Broader, Stronger Cost Benefit Analysis***

Critical in assessing the merits of public investment in infrastructure is the application of a broad cost-benefit analysis. Increasingly infrastructure projects are viewed as 'ready to proceed' only where utilisation is close to capacity. The benefits of a longer-term view of infrastructure investment, and governments' vital role in facilitating those longer-term benefits as part of a vision for our cities, needs to be re-established.

When the Sydney Harbour Bridge was built the daily traffic crossing the bridge was around 11,000 vehicles; the bridge today sees around 160,000 vehicles a day. This represents an investment in infrastructure with the capacity to realize demand some 14 times what was required at the time of construction. Would the Sydney Harbour Bridge be built today? And if a skeptic suggests not, in the absence of this type of leadership and vision, how can we hope to meet the infrastructure needs of the next eighty years?

Government needs to consider less easily quantified benefits that come with some forms of infrastructure investment. The transformation achieved in Bilbao through the construction of the Guggenheim Museum is often quoted and in some cases poorly emulated. Similarly, the Sydney Opera House demanded unforeseen investment by the governments of the time. But there is no doubt that this is a similarly 'transformational investment' that has been recouped both economically and culturally in the decades that have followed – though this would not likely have been reflected in any cost-benefit analysis.

The Australian Government has committed Infrastructure Australia to work more closely with the states and territories and industry to promote better targeted investments in infrastructure linked to national priorities. This will help ensure the best value for money for the tax-payer. This, alongside the publication of cost benefit analyses by Infrastructure Australia and a commitment to undertake evaluations of infrastructure post-build, will support a longer-term understanding of the value of our infrastructure investment. Such initiatives should be replicated at a state level.

### **Should some form of road pricing be adopted?**

Road user charging and efficient road pricing has gained increasing recognition in Australia as providing an appropriate market-led solution to a burgeoning infrastructure deficit, increasing maintenance costs, dwindling government funds and frustrated community expectations.

Governments must commit to undertaking pilot studies of new road pricing mechanisms including road-user charges.

Such studies should include extensive community consultation, consider impacts across the whole transport system, and draw on overseas experience to maximise the likelihood of public acceptance, success and a sustainable source of infrastructure funding in the future.

### ***Australia's Future Tax System: User charging***

*Australia's future tax system: Report to the Treasurer* (Henry Review), in considering a move towards greater use of user charging as part of its tax reform agenda notes that:

*[P]ublic goods should be generally funded from broad-based taxes. However, user charging can be an efficient means of financing some government-provided goods and services and of rationing individual access to community resources.*

Reviewing current road transport tax arrangements, the Henry Review observes:

*Current road tax arrangements will not meet Australia's future transport challenges. [...] Moving from indiscriminate taxes to efficient prices would allow Australia to leverage the value of its existing transport infrastructure.*

With respect to road pricing, the Henry Review makes a key recommendation wholly supported by Consult Australia:

*Governments should analyse the potential network-wide benefits and costs of introducing variable congestion pricing on existing tolled roads (or lanes), and consider extending existing technology across heavily congested parts of the road network.*

The Henry Review also supported the aims of the COAG Road Reform Plan and recommended an acceleration of its timetable towards mass-distance-location-based charging. The Henry Review suggests that, where tolls are levied by private infrastructure operators, state governments should negotiate to compensate operators if the switch to variable tolls involves a loss of revenue (and conversely to pass the gain to road users or government if there were gains in revenue). The Review notes that introduction of congestion pricing on existing roads would place stress on existing public transport services and draw attention to inadequacies. Introduction of user charging should be coordinated with—and help finance—additional investment in public transport.

The Henry Review notes that the implementation of user charging would lead to less congested roads, shorter travel times and investment in road infrastructure that addresses user demand and provides a foundation for further productivity growth, improved living standards and more sustainable cities. In exchange for targeted charges, road users benefit. They would pay less fuel tax, motor vehicle stamp duties could be abolished, and compulsory third party insurance would be fairly priced. The revenue from efficient user charges could help finance new urban transport infrastructure, and cover the cost of heavy vehicle damage.<sup>7</sup>

However, these charges would not pay for the full cost of providing and operating the road network. The remaining costs could be funded from general tax revenue, or by retaining a network access charge (such as annual vehicle registration) or a variable charge (such as fuel tax) set to recover the efficient costs of road provision. Important non-economic community objectives would still be funded from general revenue through well-defined community service obligations. New investment based on economic criteria, and accountability for investment decisions would help ensure that roads are in place to address future needs.

Existing institutions have not led to the most efficient use and supply of our transport infrastructure—particularly roads. User charging is essential to making the best use of roads, but they must be coupled with improved governance that better serves the needs of road users, now and in the future.

The Henry Review concludes:

*The challenge is formidable. It requires coordination across all levels of government. But reform would promote the best investment in and use of our roads, lift national productivity, and improve the lives of millions of Australians.*

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<sup>7</sup> The Productivity Commission has also reported favorably towards user pays and distance based charges for heavy vehicles, informing COAG's decision to proceed with mass distance charges for heavy vehicles; see *Road and Rail Freight Infrastructure Pricing: Inquiry Report* (April 2007).

### ***Washington State Road Pricing Pilot***

The Puget Sound Regional Council Traffic Choices Study recruited a statistically significant sample of volunteers and, after establishing their baseline “before-tolling” driving routine, began charging them for access to selected roadway facilities during particular time periods in the day. In other words, they had to pay road tolls. The study monitored driving behavior of participants for an average of approximately 18 months per household.

Participants did not lose money. They were given a travel budget (or endowment account) from which tolls were deducted. If their driving patterns remained unchanged over the study, they would “spend” their account balance by the time the experiment concluded. If they changed their driving patterns to reduce the amount of driving on toll roads, they would keep the difference. This method held participants financially harmless, yet offered them the incentive of keeping their leftover budget if they changed their driving patterns. In this way, the study introduced real price incentives of a toll system, and measured whether and how much participants responded to those incentives.

The Study found that participants made small-scale adjustments in travel that, in aggregate, would have a major effect on transportation system performance. Done right, network tolling could provide broad benefit, including lower vehicle emissions, fewer accidents, travel time savings, improved roadway performance reliability, and lower vehicle operating costs. For motorists to be better off, however, the revenues from road tolling must be used to provide additional benefits to users of the transportation system. *Puget Sound Regional Council* (<http://www.psrc.org/transportation/traffic/faq/>)

## **CONCLUSION**

The reform advocated by Consult Australia requires both vision and commitment at State and Federal levels. The Transport Master Plan must recognise economic, political and community issues. Implementation of major reform needs to be gradual, and ensure that individual funding initiatives do not disenfranchise existing users.

Increased charges for private transport must be matched by the provision of public transport alternatives and improved infrastructure. Lessons can be learned from the agreed COAG endorsed restructuring of heavy vehicle pricing, with funding of pilot projects being championed by individual States, such as Tax Incremental Finance by NSW, congestion pricing by Victoria, and managed motorways by South Australia.

Transport is a government responsibility, and integrated transport planning and governance remain critical objectives, linking funding to its management. Introducing user pays, road pricing and hypothecation into mainstream thinking may require rebalancing between Federal and state governments, and between state transport agencies. Reduced reliance of diminishing national fuel revenues may need to be offset by city transport policies with localised planning and revenue collection. Siloed transport agencies must give way to consolidated integrated departments of transport focused on the delivery of effective movement of people and goods.

Consult Australia looks forward to the consideration of these issues and next steps towards realising a comprehensive long term vision for transport in NSW.