Road Pricing Policy for Sustainability

Pádraig Kenny, Arup
Road Pricing Leader

Cathryn Geiger, DIRDC
General Manager, Land
Transport Market Reform

RUC Conference
7 March, 2019
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Road Pricing
Policy Drivers & Design Principles
Pádraig Kenny, Arup

Australian National Heavy Vehicle Charging Pilot
Cathryn Geiger, DIRDC
Road Pricing for Sustainability
Policy Drivers & Design Principles

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Road Pricing Leader, Arup
Road Pricing for Sustainability – Policy Drivers

- Demographic Changes & Shifting Transport Needs
- Emissions & Climate Change Commitments
- Social Equity & User Pays Principle
- Sustainable Transport Funding
- Emerging Mobility Trends & Modal Shift
The window of opportunity for mobility pricing is now

There is a pressing need to consider how to fund more sustainable and equitable transport. The traditional business models for transportation are changing: Driven by technology and changes in the patterns of demand & usage; the era of electric, connected, shared and autonomous vehicles is arriving; and new service providers are emerging to offer MaaS and a panoply of new mobility service options.
Road Pricing for Sustainable Development

*Industry engagement for a sustainable model*

Cathryn Geiger
General Manager, Land Transport Market Reform
16th Annual Road User Charging Conference, Brussels
The Australian Context

Australia and Europe area comparison

Australia's area: 7.7 million sq km
Europe's area (shown): 3.5 million sq km

Darwin to Perth 4396 km • Perth to Adelaide 2707 km • Adelaide to Melbourne 726 km
The Australian Context

Such an enormous road network needs to be constantly maintained and replenished – yet despite the $23 billion annual spend, road managers are struggling to keep up.

TOTAL AMOUNT OF ROAD USE HAS MORE THAN TRIPLED SINCE THE 1970s

1970

2015

250 BILLION KM

THE ECONOMIC BENEFITS HAVE BEEN ESTIMATED AT BETWEEN $6.5 BILLION AND $13.3 BILLION OVER THE NEXT 20 YEARS

TOTAL ROAD FREIGHT CARRIED CONTINUES TO GROW

2006

2016

2030

IT GREW 50% IN 10 YEARS TO 2016 AND IN CAPITAL CITIES IS FORECAST TO RISE 67% BY 2030.
Heavy Vehicle Road Reform (HVRR)

An improved customer focus for heavy vehicle road users

- **Sustainability**: Funds future needs
- **Transparency**: Ensures charges flow to investment
- **Fairness**: Focuses on outcomes
- **Accountability**: Ensures road authorities are accountable
Industry perspective

• Heavy vehicle road reform must result in a more strategic investment in Australia’s road infrastructure based on usage and future trends

• It must deliver improvements not just to the roads they use but the overall road network

• Industry must have a say in designing the reform
National heavy vehicle charging pilot

- Test replacing current charges with direct charges based on distance, mass and potentially location.

- **Foundation stage**: implementation work; modelling of possible heavy vehicle charges; stakeholder views.

- **2019 Demonstration stage**: small scale; telematics only; mock billing; testing proposed models and gauging driver experience.

- **Later 2019 Trial stage**: larger scale, telematics and manual; mock bill; open to all HV operators.

- **2020-22 decision** for federal and state governments to go live
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Thank You!