



**Economic & Public Policy**

## **RACQ Position on Road Infrastructure Funding and Traffic Congestion Management**

### **Opposition to tolls**

RACQ believes that the funding of roads is a fundamental responsibility of government and therefore maintains a policy of opposition to road tolls.

The Club maintains a vigorous pursuit of greater government investment in roads and their maintenance on the basis of their importance to the economy and the community overall.

It is the RACQ's view that public borrowing for road infrastructure, based on sound cost benefit analysis, constitutes a rewarding investment for the government and the community as a whole.

The RACQ rejects the concept of accepting tolls on new roads as a "last resort", particularly given the increasing tendency of governments to make them the "first option". In circumstances where governments persist with the imposition of tolls on specific projects, the RACQ will actively seek the best possible outcomes for motorists in regard to level of tolls and availability of suitable alternative free routes.

What constitutes a "reasonable" or "adequate" alternative non-tolled route will be determined on a case by case basis, but with strong weighting on such factors as convenience, equity, safety and level of congestion on the alternative route.

RACQ recognises that tolls inevitably discriminate against sections of the motoring community on the basis of both income and location, denying them the opportunity to enjoy the time-saving or safety benefits of a high-class road facility. This is an important component of the club's in-principle opposition to toll roads and we believe government has an obligation to mitigate such inequity in all instances where tolls are imposed.

### **Effective anti-congestion measures required**

Based on extensive research, RACQ recognises that tolls are inherently counter-productive to effective congestion management in urban environments (tolling-off effect). Where tolls are imposed on bypass routes, governments must therefore take practical measures to reduce this negative consequence by maintaining a free flow of general traffic on alternative routes.

The RACQ recognises that south-east Queensland, in particular, has a significant and growing traffic congestion problem, which needs to be managed effectively if economic activity and road transport in the region are not to experience severe dislocation.

The RACQ has conducted extensive research on this issue that supports a comprehensive package of measures for congestion management to be effective. This package includes a comprehensive, free-access orbital road system for Brisbane and selected improvements to public transport *prior to* implementation of congestion pricing on routes into the central business district. This pricing would be variable from zero charge, depending on congestion levels and/or time of day.

In regard to congestion pricing, the RACQ supports the long-standing position of the Australian Automobile Association that the current fuel tax regime should be reformed to better reflect the “external” costs of road use. These costs include not only road wear and tear (primarily imposed by heavy transport) but also congestion, with its resultant costs of time lost, additional fuel used, emissions and vehicle wear-and-tear.

### **Dealing with current circumstances**

However, the Club recognises the important need to achieve the best outcomes for motorists from current circumstances, in which the necessary prerequisites for the implementation of effective and equitable congestion pricing are not in place. These prerequisites are a comprehensive system of non-tolled ring roads and public transport improvements, plus relevant taxation reform to accommodate an equitable congestion pricing regime.

The RACQ also recognises the current intransigence of the Commonwealth Government, in particular, in regard to accommodating, through such measures as direct funding support and/or fuel excise reform, the implementation of the comprehensive congestion management package outlined by the Club.

The RACQ, therefore, accepts that urgently required by-pass roads are likely to be delivered in a manner that is sub-optimal economically and in terms of managing congestion.

A complete, complementary package of anti-congestion measures can be introduced over time provided governments do not lock into agreements for the provision of roads that restrict their ability to do so. Safeguards include:

- No action being taken that effectively reduces general traffic capacity on alternative routes to the tolled facility.
- No traffic management measures being implemented that “funnels” traffic into a tolled facility.
- Governments not entering into any agreement that limits their ability to introduce future measures to more effectively manage traffic congestion during the currency of the agreement.

The RACQ will continue to monitor and research the issues of road infrastructure funding and traffic congestion management, sharing its findings with members, government and other interest groups.

## **What RACQ members say on this issue**

Independent market research conducted among RACQ members in November 2005 showed:

- 77 percent of all respondents believed that the proportion of federal fuel tax revenue allocated to roads should be increased.
- 77 percent of Brisbane respondents wanted the Federal Government to take more responsibility for reducing south-east Queensland's traffic congestion.
- 97 percent of Brisbane respondents recognised the importance of ring roads and by-pass roads in the reduction of the city's traffic congestion.
- 59 percent of all respondents opposed tolls being applied to fund construction of new roads.
- 65 percent of Brisbane respondents supported the use of congestion charges based on roads in and out of the central business district, if fuel tax was reduced, ring roads built and public transport improved.

*Research conducted by Market & Communications Research Pty Ltd on behalf of RACQ.*