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Heavy vehicle road charging proposal welcomed by RMCRC

Rail Manufacturing CRC welcomes *Infrastructure Australia's* proposal for governments to commit to the implementation of a heavy vehicle road charging structure within five years.

The proposal for heavy vehicle road charging is one of a number of actions identified in the *Australian Infrastructure Plan*, released today by Infrastructure Australia.

Rail Manufacturing CRC believes that such a move would not only level the playing field between road and rail, but also be a source of much needed funding to meet Australia's urgent infrastructure challenges.

It is no surprise that the evidence-based approach of Infrastructure Australia and the Australasian Railway Association have reached the same conclusion that existing cost recovery from road freight does not reflect its true costs.

Australia's current system of cost-recovery in the transport sector has stymied the rail industry for decades.

With the current renaissance in urban light rail projects and a strong pipeline of rolling stock orders either being delivered or awaiting tender outcomes, with the right policy settings, the rail manufacturing industry in Australia has the potential to grow to meet the challenges of Australia's future transport needs.

Australian Infrastructure Plan identifies funding and market reform of the transport sector as being the most significant infrastructure challenge for Australia's governments.

With an expected 80 per cent growth in national land freight projected between 2011 and 2031, much more focus on establishing competitive neutrality between road and rail is urgently needed.

And with a rapidly growing population, expected to reach 30 million by 2031, with growth focused on Sydney, Melbourne, Brisbane and Perth, better public policy settings are required to facilitate infrastructure projects to ease

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congestion in our cities and provide a better freight interface between road, rail and ports.

Heavy vehicle pricing would utilise readily available GPS technology to allow road user charges to be based on vehicle mass, road used and distance travelled instead of the current ineffective system of a Federal fuel excise and annual State registration charge.

A more accurate cost assigned to heavy vehicle road freight would result in a more level playing field for competition between road and rail, as well as a much-needed source of infrastructure funds.

Infrastructure Australia has identified a number of critical factors that all point to rail being the solution needed to build a sustainable economic and social future for Australians.

These factors include high demand for urban transport infrastructure, huge projected growth in demand for land freight and the need to plan for lower greenhouse gas emissions.

Rail already has a number of advantages over road as a means of moving both people and freight in an efficient and sustainable manner. One freight train can carry as much as 280 heavy vehicles and the average passenger train can take 525 cars off the road.

Rail is also the safest form of land transport, and with the high growth in projected numbers of heavy vehicles on our roads, this is an important consideration.

Infrastructure Australia has also identified the need for reducing greenhouse gas emissions to be a key consideration in infrastructure planning.

Rail is a lower emissions solution for the national land freight task with rail producing 40 per cent less emissions than road transport.

Rail Manufacturing CRC believes that the time has come for infrastructure planning to focus on developing a stronger rail sector to help meet these future challenges.

A commitment from governments at all level in Australia to implement a national system of heavy vehicle charging for trucks would be a step in the right direction.

Stuart Thomson - RMCRC CEO
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