

To: Committee Secretary
Transport and Public Works Committee
Parliament House, George Street, Brisbane Qld 4000
Email: tollroads@parliament.qld.gov.au

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2 August 2018

Re. Inquiry into the operations of Toll Roads in Queensland

Thank you for the opportunity to make a submission on the above subject. In this regard this submission is advocating a “*different approach*” to paying for special roadwork or bridge projects as the high current cost of tolls, undoubtedly, is driven by high administrative costs. This concept is put forward without knowing what agreement is in place with private operators, leaving the option of any such agreement(s) being dissolved, or alternatively, administered privately with substantially reduced operating costs.

Situation Statement:

In the case of Queensland the only toll roads are in the greater Brisbane area and the vast majority of users live in the city or commute within 100 km from the GPO. The current method, by way of “toll” collecting, is inefficient and expensive to administer. It involves –

- Administration costs (no doubt very high?)
- Hardware costs e.g. computers, video cameras, road sensors, sensor tags
- On-going file maintenance of vehicles and payment arrangements by individuals
- Extra administration for rental car companies
- Inconvenience for occasional non-urban and interstate users
- Fines for non-payment resulting in many complaints from individuals
- Collection agency fees
- Adjudication and legal costs when fees are challenged

If you eliminate the above costs then all of the collected revenue can be put towards projects.

The current system is also not conducive to road utilisation. Many motorists *avoid* toll roads, thereby causing traffic congestion on city and non-toll routes. As an example, we (wife and self) travel to the Sunshine Coast most weekends. The most direct route from Bulimba is via the Gateway Motorway (toll road), which we avoid by travelling through the Valley and along Kingsford Smith Drive (no tolls). There is a net saving to us, but the downside is that it takes longer and adds to congestion.

Discussion:

- Some jurisdictions have no toll roads e.g. Perth (It is a delight to drive in Perth without having to worry about road tolls.) The same would apply to Brisbane without tolls. The downside for Perth is that special road projects have to be funded by the state government.

- Other jurisdictions / countries remove tolls once the project is paid for e.g. China, but that still leaves on-going maintenance for such infrastructures.
- **An ideal solution is one that encourages road use in order to minimise traffic congestion in other areas, particularly the CBD, and involves minimal administration and associated costs. In other words, opposite to what happens now.**

Recommendation:

- This proposal involves project funding (as an alternative to tolls) through a small fuel levy (the economics would have to be calculated but, *net of current administration costs* referred to above, is expected to be small ... i.e. 1 or 2 cents per litre for petrol and diesel) for all service stations within 100km of the GPO. On-going, there would be no defined tolls.
- It is acknowledged that fuel prices are always a sensitive topic. They came under a lot of discussion when the state government abolished the fuel subsidy some years ago but with fuel cycle retail costs varying by up to 20 cents / litre (approximately 15% variations) the applied levy would be absorbed within these cycles. The upside is no toll fees and rural fuel prices would not be affected.
- The levy would be applied to the *wholesale* cost by fuel suppliers to applicable service stations, thereby minimising administration costs for both the government and retail outlets. Collected revenue from fuel sales to service stations by suppliers would simply be passed on to Government or via a private operator.
- The “no toll system” would encourage use by motorists, thereby reducing traffic congestion in other areas ... in other words, the road traffic system would work the way it should.
- Some vehicle owners would argue that they never use existing toll roads. These are likely to be very small road users where the incremental fuel cost would be negligible and a “no toll” option may be attractive for their occasional use. Alternatively, high road users would pay their way through greater fuel usage. Within a short time, “tolls” would not be part of the vernacular.
- Service stations beyond 100km from the GPO are subject to fuel supply delivery fees which increase retail prices, hence there would be no benefit to users travelling beyond this limit to fill up.
- For electric and hybrid vehicles (very small percentage) a small levy, similarly, could be applied to public charging stations. Over-night charging at residences would be exempt ... a small incentive for “greener” vehicles and electricity prices are already high enough.

Conclusion:

I commend this proposal for your consideration. With its successful implementation, it could be the model adopted by other Australian cities for its simplicity, with Queensland leading the way!



Richard Payne