

Road user charging survey

2018

In the context of modern day mobility, the current road user charging system has some limitations, particularly as a means of funding necessary infrastructure enhancements and managing congestion. Understanding what Western Australians know and think about the current system, and other road pricing initiatives, will be important in considering any potential changes to the current motoring-related charges.

Currently, motorists pay a number of fees and charges (including stamp duty, fuel excise, vehicle registration fees, licensing fees, heavy vehicle permits, luxury car taxes and customs on imported cars). These are mainly designed to raise revenue for building, maintaining and operating roads; however, Western Australia (WA) consistently does not receive an equitable proportion of the revenue collected from WA motorists for investment in road infrastructure.

! For every dollar the Australian Government collected in taxes from WA motorists in 2016-17 (which was approximately \$2.7 billion), only 30 cents was returned for investment in WA roads (\$806 million). From 2005-06 to 2016-17, the total return to WA motorists from the taxes levied by the Australian Government has averaged 28 cents per dollar collected per annum¹.

Furthermore, with vehicles becoming increasingly more fuel efficient, national road-related fuel excise is declining (between 1997-98 and 2015-16 it dropped by \$2.7 billion or approximately 20 per cent²), reducing the overall 'pot' of money available for road spending. This is not unique to Australia and many jurisdictions are exploring more sustainable models for funding road and transport infrastructure. Australia must investigate broader reform of motorist taxation to replace the existing fees and charges. If designed appropriately, road pricing / user charging initiatives can also be an effective means to manage road congestion, and reduce greenhouse gases and air pollutants.

In late-2017, RAC conducted a survey to understand what Western Australians know and think about the way motorists are currently charged for road use, as well as the broader road pricing issue.

The targeted online survey was completed by 895 respondents (565 of which were RAC members and 323

non-members) from across WA (78 per cent from Perth metropolitan area and 22 per cent from regional areas).

Age, gender and location sampling quotas were applied and data was weighted to be representative of the WA population, as well as RAC's membership composition³.



¹ RAC WA (2018), "Motorist Taxation Revenue and Road Spending", <https://rac.com.au/about-rac/advocating-change/reports>

² Commonwealth of Australia (2017), "Yearbook 2017, Australian infrastructure statistics", https://bitre.gov.au/publications/2017/files/yearbook_2017.pdf

³ The margin of error at the total sample level is +/-3.28% at the 95% confidence interval.



For the better

Current road user charging system

Western Australians feel they have limited knowledge of how motorists are currently charged to use roads in WA, and how revenue is raised for investment in road building, maintenance and operation. As a result, attitudes towards the current charging system are mixed.

As shown in Figure 1, nearly two in three Western Australians (64 per cent) know little or nothing at all about the way in which motorists are charged for their road use, and the same for how revenue is raised for investment in WA's road network (63 per cent).

Unprompted, vehicle registration fees (33 per cent said they are aware of this) government taxes (33 per cent) and license fees (29 per cent) are the most commonly mentioned charging mechanisms, although awareness is considered low.

When prompted with a list of possible options, a majority of Western Australians have a higher awareness of the use of vehicle registration fees (81 per cent aware) license fees (74 per cent), fuel taxes (57 per cent) and heavy vehicle permits (57 per cent) to raise revenue for WA roads. However, more

than six in 10 are unaware, or misinformed about car sales / luxury car taxes and customs from imported cars.

When it comes to attitudes towards the current charging system, including its effectiveness in addressing congestion and generating revenue for roads, views are very mixed (Figure 2). For example, 37 per cent think it is fine the way it is but 39 per cent disagree with this statement. Likewise, while half believe the system is a fair and equitable way of charging drivers relative to their usage, a similar proportion think it should be changed so that the amount people pay relates to how much, where and when they drive.

Is congestion an issue for Western Australians?

Congestion is viewed as a significant issue facing WA motorists, with 65 per cent feeling that it has become worse over the past 12 months.

One in two believe it has negatively impacted on their personal life, and 49 per cent believe they lose at least one hour a week due to congestion (of which, 13 per cent lose more than four hours a week).

Just over half (52 per cent) believe population growth is the main cause, followed by driver skills / behaviour (50 per cent) and inadequate public transport (33 per cent).

Eight in 10 agree congestion on our roads requires immediate attention but only two in 10 are confident that the government has adequate plans in place to tackle it.

Figure 1 » Self-proclaimed level of understanding about the current system

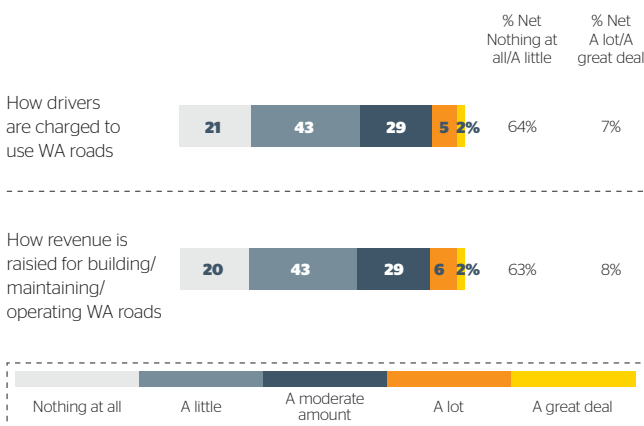
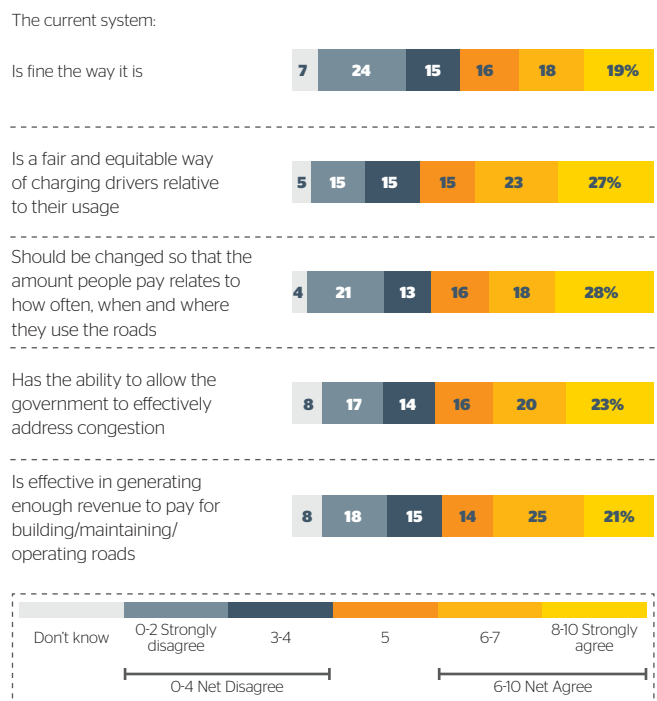


Figure 2 » Attitudes towards the current system



Road pricing initiatives

An overwhelming majority attest to having little or no knowledge of 'road pricing' but for those that do, the term seems to be most synonymous with 'tolls'. Opinions about road pricing are mixed, but the community is less opposed to initiatives that target specific users or provide a more tangible impact.

Around 9 in 10 Western Australians admitted to having little or no knowledge of the term 'road pricing'. In fact, just over two-thirds (67 per cent) feel they know nothing at all. When asked what words, thoughts or images first come to mind when hearing 'road pricing', tolls came out strongly, followed by the concept of having to pay (more) to use roads / user pays, revenue raising for infrastructure and an additional tax / fee.

When prompted with a definition, almost two in five support the concept as a means to help address WA's congestion challenge (38 per cent) and generate funding for transport infrastructure (40 per cent) but similar proportions are opposed to the idea. Those who support the idea agree with the principles behind a 'user pays' system, whereas those in opposition feel it would mean 'yet another tax'. Metropolitan Perth residents are significantly more opposed to introducing road pricing to help address congestion relative to their regional counterparts (42

per cent opposed compared to 34 per cent of those residing in regional WA), as are those who live further out from the Perth Central Business District (CBD), those who commute by car five or more days a week and those who have experienced road pricing elsewhere.

As shown in Figure 3, in terms of specific road pricing initiatives, eight in 10 have an awareness of road tolls (with many stating they have experienced them in other locations, most notably in the eastern states and the United Kingdom) and six in 10 have an awareness of priority / high occupancy vehicle lanes. Congestion charges (50 per cent) and distance based charges (27 per cent) are less well known and unsurprisingly support for introduction in WA is lower, with initiatives that target a specific user group or that may provide a more tangible impact (e.g. heavy vehicle charges and priority lanes) being more favourable (Figure 4).

Example road pricing initiatives:

- > **Charges for bigger / heavier vehicles:** Charges applied to road users depending on the size of the vehicle they drive. Heavier vehicles may be charged more because they emit more pollution and contribute more to wear-and-tear on roads.
- > **Road tolls:** A fee is charged for passage on a road. The fee amount varies by vehicle type, weight, or number of axles. It is collected at 'toll collection booths' or automatically as a vehicle passes certain locations.
- > **Distance Based Charges:** Charges calculated according to the distance travelled by motorists and can apply across the entire road network.
- > **Congestion Charges:** Fees to enter into certain areas such as CBDs. Charges can be fixed or varied based on the level of congestion (i.e. higher charges during peak periods).
- > **Priority lanes / High occupancy toll lanes:** Dedicated lanes on the road which are free (or at a charge) for vehicles with multiple occupants and other exempt vehicles.

Figure 3 » Awareness of specific road pricing initiatives

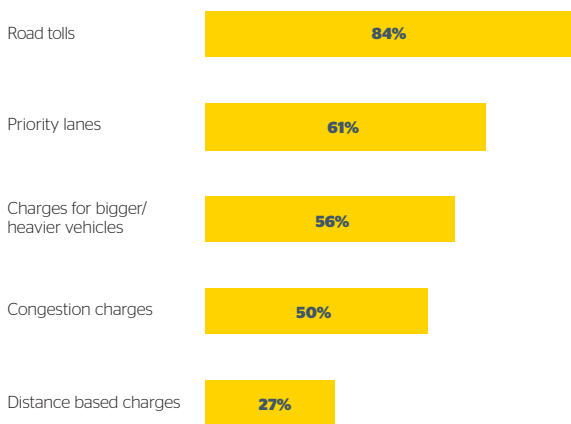
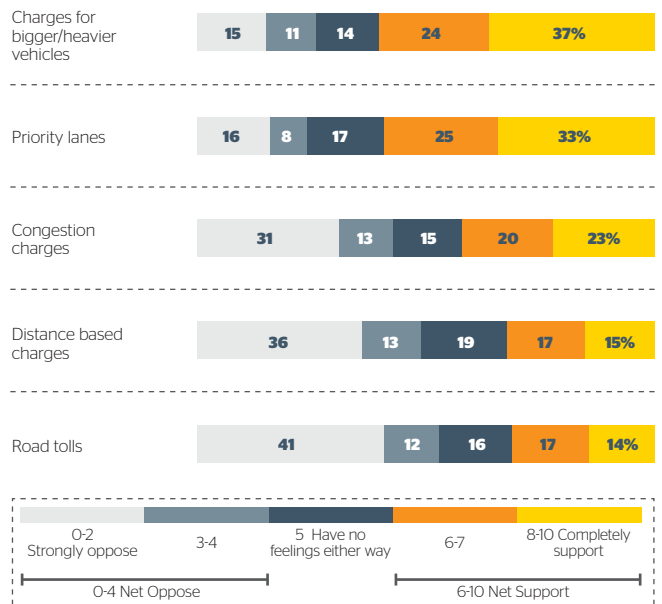


Figure 4 » Degree of support for specific road pricing initiatives



Future considerations

The survey highlights that the community is uncertain as to whether introducing road pricing initiatives in WA is the most effective way to address congestion. It is also evident that there will be a number of matters that will need to be explored and managed in considering any changes to the way in which motorists pay to use roads in WA.

When it comes to how effective Western Australians believe the concept of road pricing would be in helping to manage congestion in Perth, views are divided. While 35 per cent believe it would be effective, around one in four has no view either way.

Almost six in 10 (59 per cent) believe congestion charges, for example in the Perth CBD would not change the amount they drive (38 per cent feel it would), and interestingly 68 per cent say the same about distance based charges which could be applied across the entire road network (28 per cent feel it would). The latter is most likely a result of the lack of awareness, understanding and exposure to this initiative and with congestion charges, views are likely influenced by the fact that only one in two of those who have experienced it in other jurisdictions believe it is effective in those locations (which equates to 33 per cent of Western Australians).

Generally speaking, Western Australians currently believe expanding the public transport system to / from Perth CBD (20 per cent ranked this as their top option), decentralisation of employment from the CBD (18 per cent) and better use of technology (17 per cent) would be more effective ways to manage congestion than the road pricing initiatives (Figure 5).

However, when asked directly about the concept of introducing a 'pay-as-you-go' type system on Australia's roads in the future (where motorists would pay for how much, and potentially where and when they use the roads but the amount would depend on the payment structure), 37 per cent are supportive and 45 per cent oppose the idea.

As shown in Figure 6, there is a higher level of support for the introduction of a road pricing or charging system if it were to replace the current motoring-related charges (so as part of a broader reform

of road user charging), with more than half of Western Australians being supportive or open to the idea on that basis.

As is the case when exploring the introduction of any changes to taxation, there would be equity considerations with any form of road pricing, for example in regards to affordability and access to alternative transport options (considerations which will be particularly important for those living in regional WA). The introduction of any form of road pricing is more acceptable to the community when considered in the context of equivalent reductions in public transport fares (Figure 6). Furthermore, around half of Western Australians believe any charges imposed should be cheaper or discounted for those who live further out from the Perth CBD (52 per cent support this) and/or public transport fares should be cheaper or discounted for those people (46 per cent).

Figure 5 » Views on the most effective ways to manage congestion (Ranked #1)

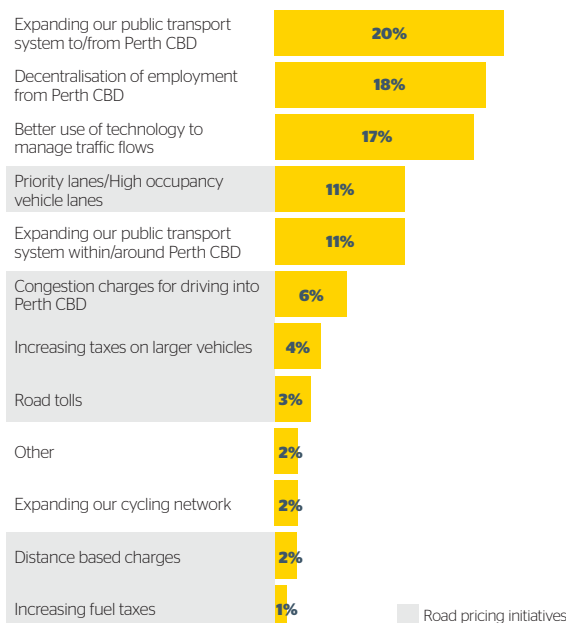


Figure 6 » Attitudes around implementation of road pricing

