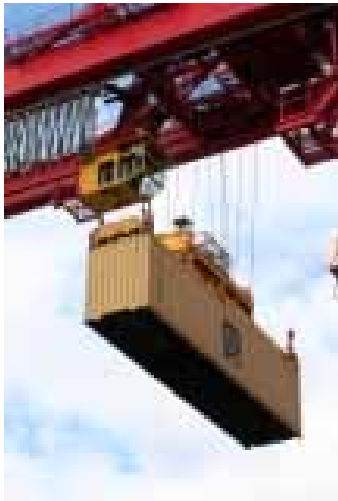




NTC Urban Freight Initiatives Best Urban Freight Solutions Seminar

Chris Egger – Manager Economic Research
National Transport Commission
Melbourne, 11 March 2008



Key Aspects of this Presentation

OUR VISION

"The best transport outcomes for Australia."

OUR MISSION

"We lead transport regulatory reform nationally to meet the needs of transport users and the broader community for safe, efficient and sustainable land transport."

OUR ROLE

"To work closely in partnership with peak industry bodies and government to develop more consistent, practical and effective land transport policies, laws and practices."

- **NTC background**
- **Maturing Reform Process**
- **National Transport Plan**
 - Transition to a new world
 - Policy framework
 - Guiding principles
 - Priority areas
 - Desired outcomes and possible actions in key areas
 - Implementation structure

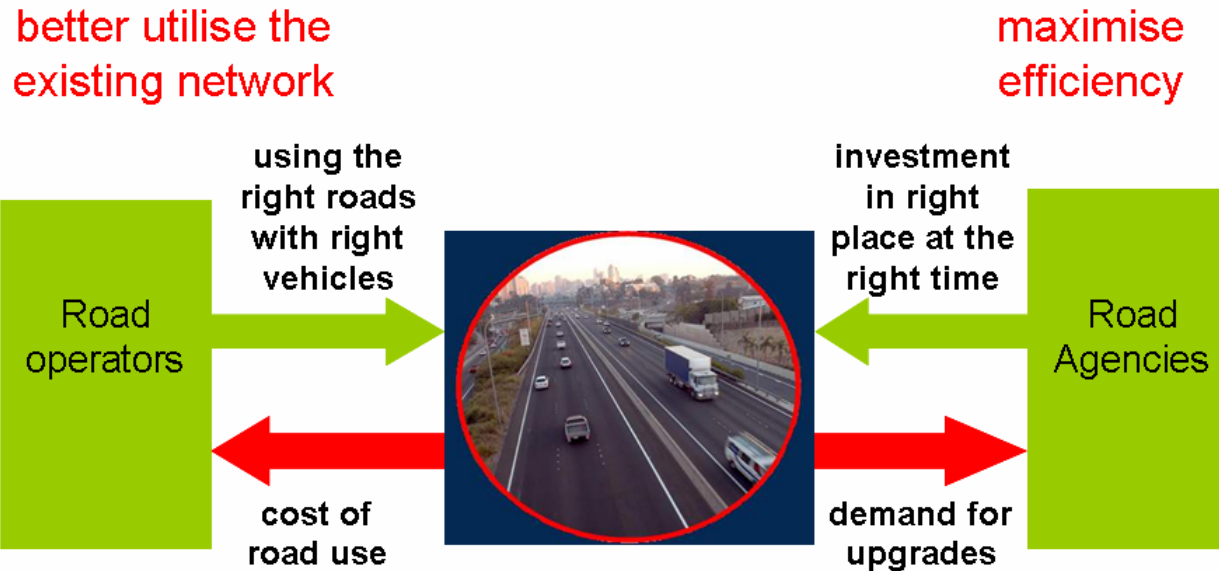
National Road Transport Commission

- Formed in 1991 from Special Premiers Conference
- Part of micro-economic reform agenda
- Goal of removing barriers to economy and creating uniform, consistent regimes for road transport
- NRTC principles of road safety, transport efficiency, costs of administration, environmental impacts
- *No role in infrastructure delivery or management*
- 2002 review expanded role (NTC), commenced July 2003

Maturing Reform Process

- **Started with removal of inconsistencies**
- **Regulatory innovation**
 - **Performance Based Standards**
 - **Fatigue - duty to manage**
 - **Compliance and enforcement - chain of responsibility**
 - **Intelligent Access Program (Austroads)**
 - **Improved heavy vehicle pricing**
 - **Recent Determination**
 - **Incremental pricing**

Road Pricing



- **Allowing more productive vehicles on the road**
- **Better use of infrastructure**
- **Better spending on infrastructure**

**LOWER COST OF FREIGHT
TRANSPORT**

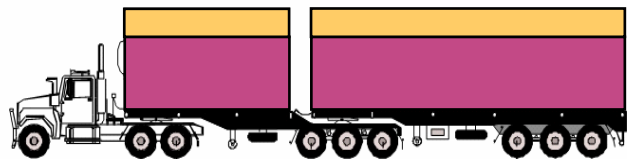
New heavy vehicle charges approved

- **A new heavy vehicle charging Determination was approved by ATC recently**
- **The new Determination for the first time ensures that all heavy vehicle classes at least pay their attributable costs and introduces a system of differential trailer axle charging**
- **Differential trailer axle charging enables almost all PBS heavy vehicles to be effectively charged by jurisdictions**

What is Incremental Pricing?

Conceptually : Enhanced access... for a price

Vehicle is permitted on a *road or a network of roads* at a **mass that is greater than the current regulated mass** for that vehicle on that *road or a network of roads*



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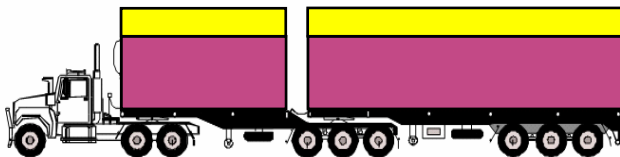
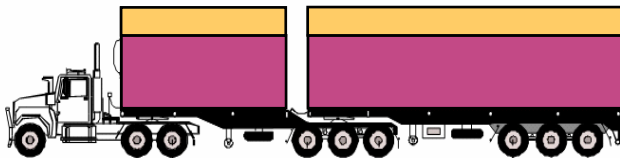
pays a charge that reflects the damage to the road caused by the incremental mass.

ACCESS



Incremental Pricing Scheme vs the Trials

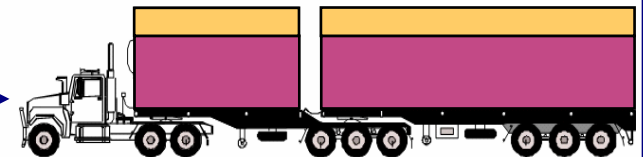
PHASE 1



Multiple trials to test different IP features

Review and Evaluation

PHASE 2



One national incremental pricing scheme

ATC Agrees to the National Transport Plan

- **Ministers on 29 Feb 2008 considered and agreed to the NTCs advice on the development of a national transport policy framework.**
- **Ministers agreed to a governance structure whereby individual Ministers will take responsibility for developing and negotiating on aspects of a national transport policy.**

A national transport plan ...

- Economic Framework for Efficient Transportation Marketplace (NSW)
- Infrastructure Planning and Investment (VIC)
- Capacity Constraints and Supply Chain Performance (SA)
- Urban Congestion (VIC)
- Climate Change, Environment and Energy (WA)
- Safety and Security (QLD)
- Strategic Research and Technology (TAS)
- Workforce Planning and Skills (NT)
- Social Inclusion (ACT)
- Governance (Commonwealth)



Transition to New World (1)

	From Old World	To New World
Focus	Single modes and stand-alone projects	Integrated with global supply chain
	Freight movement	Safe and efficient mobility of people and goods
	Economic	Economic, social and environmental

Transition to New World (2)

	From Old World	To New World
Infrastructure	Investment priorities based on freight corridors	Service specification and transparent cost-benefit analysis and reporting of the transparent
	Building our way out of capacity constraints	Better use of existing infrastructure through pricing, technology etc
	Lack of certainty regarding priorities and funding	Long term planning, identifying priorities and clarity around what projects governments will fund
	Funding allocated to particular modes	Funding delivers safe and efficient mobility regardless of mode

Transition to New World (3)

	From Old World	To New World
Integration and Co-ordination	Fragmented private sector involvement	Public sector works hand-in-hand with private sector
	Blame shifting across different levels of government	Robust national transport policy framework
	State and Territory transport plans stop at border	State and Territory transport plans aligned with national transport plan

Urban Congestion Current Challenges Faced



Australia has no co-ordinated action plan to address growing urban congestion, which if not addressed will cost \$20.4 billion a year by 2020

Lack of adequate price signals to manage demand. Some taxes and subsidies create incentives that increase car use

Just-in-time distribution systems have substantially increased light commercial vehicle movements

65% of Australia's population are in capital cities; national population growth is forecast to continue to be concentrated in the capitals

Private road vehicles now account for about 90 percent of the total urban passenger task

National Transport Policy Framework

Policy Framework Implementation

1) National Transport Policy Framework

- Transport Vision and Objectives
- 'Whole of Government' Policy Context
- Definition of National
- Role of Government
- Policy Levers



2) New Inter-Governmental Arrangements

Formalised through a new IGA addressing

- Signed by First Ministers
- Accountabilities (binding agreements)
- Timelines
- Transparent reporting arrangements



3) Strategic Priorities and Work Plan (short and long-term)

- Governance arrangements for work streams
- Forward work program and timelines

Guiding Principles to the National Transport Plan

Guiding Principles

Infrastructure Pricing	➤ Sending the appropriate signals to influence demand and supply
Competitive Markets	➤ Establishing competitive markets wherever possible to minimise the need for regulation
Private Sector	➤ Involve the private sector, where appropriate, in delivering outcomes
National Regulation	➤ Where regulation is required, adopt a national perspective
National Markets	➤ Create national markets
Customer	➤ Customer-focussed

Desired Outcomes in Key Areas Relevant to Urban Freight

ECONOMIC FRAMEWORK FOR EFFICIENT TRANSPORTATION MARKETPLACE	<p>Efficient pricing of road, rail and ports taking into account social and environmental objectives</p> <p>Include externalities in pricing where practicable</p> <p>Effective competition policy to support optimal outcomes</p>
URBAN CONGESTION	<p>An appropriate mix of policy responses to congestion including pricing options , ITS, funding priorities and improved public transport</p>
ENVIRONMENT AND ENERGY	<p>Agreed strategy to reduce atmospheric emissions consistent with international commitments</p>

Possible Actions for an Economic Framework to provide an Efficient Transportation Marketplace

- **Short term**
 - Incremental pricing for heavy vehicles
 - Research to better understand road access costs
 - Feasibility study into direct road pricing for all vehicles
- **Medium to long term**
 - Develop a direct pricing framework for all vehicles
 - Implement new institutional and pricing frameworks

Possible Actions to Ease Urban Congestion

■ Short term

- Develop national service standards for public transport based on measurable performance indicators, co-ordinated with land-use planning and population forecasts.
- Develop a national action plan which will collate the individual government responses to congestion, including pricing options, intelligent transport systems and funding priorities
- Review existing taxes and subsidies that can adversely affect congestion

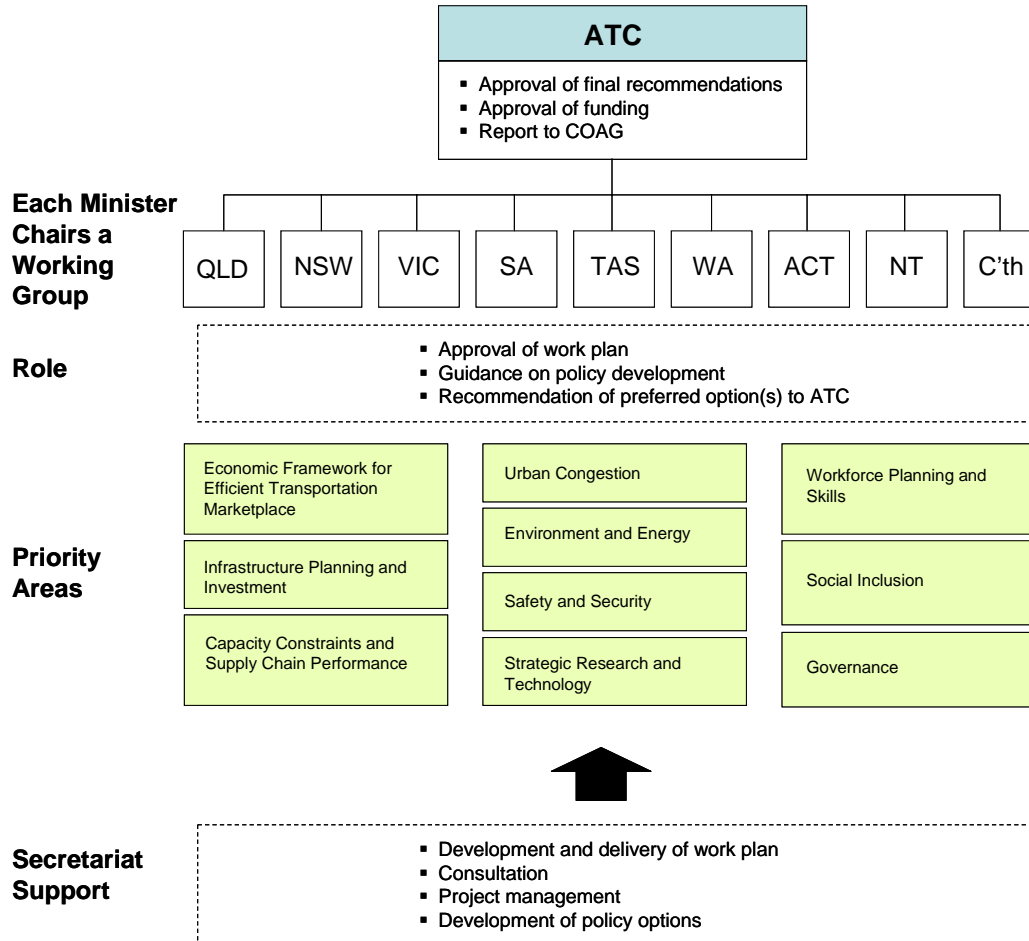
■ Medium term

- Commonwealth government funding to be allocated to initiatives associated with improved mobility of people and freight, rather than funding solely for fixed infrastructure.

Possible Actions to Reduce Emissions

- **Short to Medium term**
 - **Develop transport policy levers for reducing emissions and evaluate the relative merit with a view to developing a co-ordinated national approach to reducing transport emissions**
 - **Policy levers include such things as regulations to limit travel by certain vehicle types in certain areas or financial incentives to adopt technology that reduces emissions**

Implementation Structure



Questions



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