



**PAUL FLETCHER MP
MEMBER FOR BRADFIELD
MINISTER FOR URBAN INFRASTRUCTURE AND CITIES
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TRANSCRIPT – INTERVIEW

Topics: Road user charges.

PAUL KENNEDY:

It's been a bad couple of weeks for users of public transport. What can be done to improve our services? One possible solution is road pricing; an option that the Federal Government is set to consider in a formal review this year. Paul Fletcher is the Federal Urban Infrastructure Minister, and he joins us now from Sydney.

And Paul Fletcher, thanks for your time this morning.

PAUL FLETCHER:

Good to be with you.

PAUL KENNEDY:

Before I talk to you about road congestion, more problems with the Sydney rail network this morning; up to about 40 cancellations. Are you across this?

PAUL FLETCHER:

Well, the day-to-day operation of the rail system is a matter for the New South Wales Government, but I would make the point that there's very large amounts of investment going into the Sydney rail system: Sydney Metro Northwest due to be completed by 2019; City & Southwest by 2024. So the Berejiklian Government doing an extraordinary job to invest and upgrade the Sydney rail system. The Turnbull Government's investing \$1.7 billion into Sydney Metro City & Southwest, and of course, after 16 years of Labor there was very little done to upgrade the rail system, so it's about building new capacity and serving new and growing areas of the city, such as the Northwest.

PAUL KENNEDY:

Just seems a funny time to be spruiking that system when commuters are standing on the platforms again and their trips have been cancelled. But anyway, we might- well, we'll speak to our reporter

who's out on the scene a little bit later. We've got so much to talk about here with road congestion. How bad is it around Australia?

PAUL FLETCHER:

Well, can I make the point that the question is how we fund and pay for Australia's road system. We spend about \$24 billion a year on our roads – that was the number for 2014-15 – that's building new roads, operating and maintaining roads. We collected around \$28 billion in road-related taxes; the largest of those being the fuel excise – that's the 40.3 cents a litre that people pay. And the question is we obviously are continuing to invest at very high levels in our roads; in fact, the Turnbull Government has record levels of infrastructure investment.

But the question is whether the system we have is the best one we could have. One of the issues with relying on fuel excise to fund a large part of our roads is fairness between different kinds of people. So if you're using a 10 or 12 year old Holden Commodore, you end up, through the fuel excise system, in effect, paying about 4.5 cents per kilometre to use our roads, whereas if you are driving a brand-new Tesla, you're not paying through the fuel excise system at all, and so one of the questions is: is that fair? What we obviously need to do is continue to have a system in which we are spending on and upgrading our roads, and that's happening around Australia.

But what we have said, following recommendations from Infrastructure Australia and the Productivity Commission and others, is that this year we intend to kick off a review led by an eminent Australian into the question of how we fund and pay for Australia's roads. I'd make the point this would be a 10 to 15 year journey if there were to be any change here. We're not talking about any immediate changes here.

PAUL KENNEDY:

Your government previously said, the former prime minister Tony Abbott said, that particular recommendation for road pricing is unlikely to be accepted by any government. What's changed in your government's mind?

PAUL FLETCHER:

We've had a number of recommendations, including from the Productivity Commission, Infrastructure Australia and others, and so in late 2016, when the Government announced its response to the Infrastructure Australia 15 year plan, the Prime Minister and I said that we did intend to commission a review of the question of how Australia's roads are funded and paid for. That would be a 10 to 15 year journey if there were to be any change to our current system, because of course there'd need to be agreement by all of the state and territory governments as well as the Commonwealth Government. We'd need to be satisfied it was a better system, a fairer system, and a system that produced better roads. But we are spending \$24 billion a year on our roads, so there's very substantial expenditure. Many Australians don't understand, or are not aware that they are paying to use our roads today through the fuel excise system, through state motor vehicle registration charges, through a whole range of other ways, and so it is worth having a look at what is the system today, and are there any changes that could be made to it? But as I say ...

PAUL KENNEDY:

[Interrupts] Paul Fletcher, just asking on behalf of- I think the number is two out of three people use their car to get to work, but in some parts, further out, some people have to get to the city – four in five

have to drive from outer suburbs. In some places, like outer Melbourne, talk about infrastructure, infrastructure hasn't quite caught up with those communities, so they have to drive. Some are paying tolls. Some are struggling to afford driving their cars already. How would road pricing affect those people?

PAUL FLETCHER:

Look, that's a really good summary of some of the issues that any review would have to look at, and I emphasise that any change in this area is a 10 to 15 year journey, but it's worth bearing in mind that people in outer suburbs, people in rural Australia who are travelling longer distances are already paying more to use our roads today because they're using more fuel. So the question to look at is could there be a fairer system, could there be a system that would give us better roads? That's worth looking at, but it's worth taking a thorough look at. This is about any change here being a 10 to 15 year journey, not anything to happen overnight, but we do want to have a thorough look at some of these issues.

PAUL KENNEDY:

Okay. Well, thanks for stopping in this morning and talking about that. Maybe at some stage we can get you back and talk about the plans to entice businesses to move out of the city – I know that's been on the agenda before – so people don't have to constantly drive to the city, but maybe for another time.

PAUL FLETCHER:

Thanks Paul.