

Tolls for Freight Vehicles

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Thank you for the opportunity to present to the Toll Roads Inquiry.

Currently, there seems to be *little* basis for determining toll levels for freight vehicles apart from maximising revenue. I would like to summarise my concerns that relate to 3 points:

1. Toll avoidance,
2. The extra costs incurred by carriers that leads to higher prices for our goods and,
3. The inflexibility of toll structures.

1. Toll Avoidance

Rising tolls are leading to a large number of freight vehicles avoiding toll facilities which is creating significant externalities (costs borne by non-road users), including social problems (such as safety and noise) and environmental problems (especially emissions) that are impacting communities in urban areas.

2. Extra Operating Costs for Carriers & Higher Prices for Our Goods

Most carriers cannot pass toll costs onto shippers or 3rd party brokers and tolls increase the company's overall transport costs. Many carriers have a limited ability to absorb these additional costs, so they pass the toll costs onto the shipper or receivers. This adds to the price of goods and affects the competitiveness of our exports.

3. Inflexible Tolls

Current toll rates are largely determined by distance (not travel time) and there is little discrimination on the type of freight vehicle and the utilisation of the weight and volume capacity of vehicles. Incorporating these factors would make a stronger link between tolls charged, road maintenance costs and efficiency. There is also a reluctance to explore discounts during off-hours that would encourage more large trucks to use urban tolled freeways at night.

In Summary

Considering the above issues, governments should support *optimal* toll levels for freight vehicles in urban areas that consider the *objectives* of all the key stakeholders (including carriers, shippers, receivers, residents and toll companies) to maximise the economic benefits and minimise the social and environmental impacts.