

Cyclists don't pay road taxes?

It's an argument that you'll hear too often. "Cyclists don't deserve to use the road because they don't pay registration fees and fuel taxes" or "The government should stop building bike lanes and path because cyclists don't pay fuel taxes like us drivers".

Not only is this a selfish argument it also ignores a few facts about the society we live in and our tax system.

1. We all pay taxes. Road use fees and fuel taxes are just two of them

Governments, hopefully, govern on behalf of everyone, not just those who pay the most taxes. To do this they collect taxes and fees and spend them in the best possible manner – they redistribute wealth. It's part of the democratic system that we live inⁱ.

Income from taxes and charges (fees, fines etc) go into a consolidated revenue fund and the government then decides how to best spend them. In nearly all cases government expenditures are not tied to revenue sources (or hypothecated, to use an economic term). In other words, just because the government derives revenue from a particular source, this does not oblige it to spend that revenue on the same thing. There is good reason for this, as it means money can be spent on public facilities such as libraries, schools, footpaths, parks and hospitals, that benefit everyone, not just those who pay the most tax.

If all motor vehicle charges were spent on facilities for exclusive use by motor vehicles, there would be no flexibility to give people other transport choices. It's like arguing all gambling taxes should be spent on providing more pokies or that all tax on alcohol should be spent on providing cheaper drink. In fact, road use comes at significant cost to society in terms of road trauma, pollution and congestion, as well as the monetary cost of providing and maintaining infrastructure. Rather than spending money derived from motor vehicle travel exclusively on motor vehicle facilities, it is far better to invest these monies on alternatives that provide the most benefit to society.

Nearly all of us pay money to the government. Most of this is income tax and GST, but many of us pay others such as fuel tax and registration fees. People who cycle are not excluded from paying taxes. Most pay income tax and most own cars – and therefore pay motor vehicle registration too. In fact it could be argued cyclists deserve a rebate on their rego fees as they use the roads less.

In Melbourne there are over 30,000km of roads and only about 1500km of bike lanes and pathsⁱⁱ. VicRoads' annual expenditure is over \$1.3 billion and only \$5–10m (0.4–0.8% of total expenditureⁱⁱⁱ) is spent on bicycle projects. If anything, more needs to be spent on cycling facilities, not less.

The truth is that taxing motor vehicle use is very effective at raising revenue for public facilities and other initiatives, including those to offset the costs to society of the roads. If people want to avoid paying them, they can decide to drive less. More bicycle facilities would help them do this.

2. Motor vehicle taxes don't pay the full cost of road use anyway

People who mount the argument that cyclists should pay to use the road should be careful about what they ask for. Under the user pay system they advocate, they might end up paying more than they do already.

A 2001 study showed that “the total costs of roads to the community outweigh the fees collected through fuel taxes and registration by \$19 billion dollars (sic)” (see Table 1 below). Using these figures the government might justifiably choose to almost double the tax on motor vehicles to pay for their enormous cost to the wider community.

Table 1. Income and expenditure on Australia's roads^{iv}

	\$ billion
Income	
Fuel excise	8.5
Registration fees	3.8
Insurance premiums	8.0
Total Income	20.3
Expenditure	
Road construction and maintenance	7.0
Road crashes	15.0
Pollution and other health costs	3.0
Tax refunds for motor vehicle use	2.8
Qld fuel subsidy	0.5
Congestion costs	11.0
Total Expenditure	35.0
Road deficit	19.0

Of course some road user groups would chose to ignore these external costs and instead focus on the direct costs. For the alternate argument see the Australian Automobile Association website which presents different figures (they ignore or provide a lower estimate of crash costs, for instance)^v.

Most roads are owned and maintained by local councils. Much of the funding for these roads comes from State and Federal government but much of the burden falls to council ratepayers. If we had a full user pays system then councils might start charging ratepayers from other councils to use their roads. Nearly all roads would be toll roads. Until now councils have relied on parking fees and fines to recoup some of the costs of visitor use of their local roads. The technology is around to start making tolling feasible so that councils can more effectively recoup the cost of road use by non-rate payers. They've shown it works in London with a congestion charge^{vi}, and tolls and user charges are a very effective and transparent way of recouping the cost of providing and maintaining roads.

On the other hand, bicycle facilities can actually reduce road costs. They help reduce road maintenance and construction costs and pollution. They help make the roads safer and reduce congestion. Not only that, they are cheap to provide and can help tackle one of the biggest costs to government – health care costs – by getting more people active.

3. We can't afford not to provide more cycle facilities

We are in the midst of a physical inactivity and obesity epidemic in Australia.

More than 13 000 preventable deaths each year in Australia are associated with physical inactivity^{vii}. Physical inactivity is second only to tobacco use in health costs to the community. For women, physical inactivity is the highest ranked contributor to the national disease burden (above tobacco use, diet, hypertension and cholesterol)^{viii}.

Physical inactivity costs Australia at least \$720m a year^{ix} and 15% of Australians reported getting no physical activity in 2000^x. More than 50% of Australia adults are overweight and nearly half do not get enough physical activity to derive a health benefit^{xi}.

Just a little bit of exercise every day provides a benefit. A large-scale Danish study showed that regular bike riders had a 40% lower morbidity rate than non-riders^{xii}.

All this points to one key conclusion: **We have to do more to help people get active every day.** Providing a supportive environment for cycling is the perfect way to help people get active. Making harder to walk and cycle and easier to drive will almost certainly prevent people from being active every day.

People want to ride more

There are over 1.5 million bicycles in Melbourne but fewer than 70 000 are used each day – that's over 1.4 million bicycles not being used each day in Melbourne alone^{xiii}. This is a huge potential population of more active people.

Cycling is one of the healthiest methods of transport and recreation available. Cycling is better than walking for getting your daily dose of exercise, as people tend to get their heart beating faster on a bike than walking^{xiv}.

Bike paths and lanes get people riding. The Main Yarra Trail in Melbourne and the St Kilda Rd bike lanes carry more than 2500 cyclists every weekday. In a recent Newspoll survey 20% of people said they would ride more if they had easy access to a bike path^{xv}.

The median trip length in Melbourne is 2.9 kilometres and 10 minutes^{xvi}. That is, half of all trips are longer than 2.9km and half of all trips are shorter. Distances of around 3km (and up to 10km) are perfect for cycling for most people.

Motor vehicle emissions are destroying our air

Motor vehicles are the major sources of urban air pollutants and the most significant contributor to air pollution in Melbourne in summer. In Melbourne, they contribute about 60% of nitrogen oxides and 44% of volatile organic compounds on a typical summer weekday - these pollutants generate photochemical smog, most prevalent in the warmer months^{xvii}.

The high incidence of short vehicle trips in Australia worsens emissions levels because most motor vehicle pollutants are emitted during the first 8–10 minutes of a journey^{xviii}.

Cycling uses 1/3 the energy of walking, 1/25 the energy of public transport and 1/50 the energy of the average car.

Cycling infrastructure is inexpensive compared with other transport modes.

The whole bike network in Victoria would cost about \$250m to finish^{xix}. Contrast this against the \$306m cost for the 17km Craigieburn Bypass or the \$1.4 billion (conservative estimate) for the 40km long Mitcham Frankston Freeway^{xx}. The State Government franchise arrangement with Melbourne's public transport operators will cost \$457m each year for the next five years (\$112m for Yarra Trams and \$345m for Connex)^{xxi}.

Consider this:

- One kilometre of freeway costs between \$10 and \$35 million^{xxii}, but one kilometre of on-road bicycle lane costs about \$20 000, and a kilometre of shared path costs about \$150 000.
- One 3m-wide traffic lane can carry 8000 people on bikes each hour but the same lane will only carry 1000 people per hour travelling in cars^{xxiii}.

The obvious answer is to spend more on cycling facilities rather than less.

4. Cyclists are legal road vehicles

The final argument why people on bicycles can use our roads? It's the law^{xxiv}. Our roads are public roads open to the public use, including by people on bicycles.

As citizens we all have a right to use public facilities as long as we obey the rules. Under the road rules, people cycling are legal road users with the same rights and responsibilities as other road users. The same applies when the same person is walking on a roadside footpath, or driving on the freeway.

Endnotes and references:

ⁱ For a short history of Australia's tax system see

http://www.ato.gov.au/corporate/content.asp?doc=/content/tax_history.htm&pc=001/001/002/001/004&mnu=221&mfp=001&st=&cy=1

ⁱⁱ Melbourne Environmental Indicators Bulletin, October 2003. See

<http://www.melbourne.vic.gov.au/info.cfm?top=218&pg=1592>

ⁱⁱⁱ VicRoads Annual Report 2002/03

[http://www.vicroads.vic.gov.au/vrne/vrninte.nsf/docandvp/About+VicRoads-Corporate+Information?OpenDocument&Area=\[About+VicRoads\]](http://www.vicroads.vic.gov.au/vrne/vrninte.nsf/docandvp/About+VicRoads-Corporate+Information?OpenDocument&Area=[About+VicRoads]) and data presented to Victorian Bicycle Advisory Committee. Bicycle projects include retrofitting bike facilities to existing roads but also bicycle facilities built as part of new road projects.

^{iv} Laird, P., Newman, P., Bachels, M., Kenworthy, J., 2001, *Back on Track: Rethinking Transport Policy in Australia and New Zealand*, UNSW, Sydney. See also Laurence, C., Jowett, R and Murphy, P., 2002, *Rail and urban public transport – a new policy for a new century. Break the Australian Government's paralysis! Rail Tram and Bus Union, Redfern, NSW and Road Crash Costs in Australia – Report 102 Bureau of Transport Economics May 2000 Commonwealth of Australia 2000, ISSN 1440-9569, ISBN 0 642 44426 9*

(<http://www.btre.gov.au/docs/r102/r102.pdf>) and <http://www.carbusters.org/freesources/DirtyfromCradletoGrave.rtf>

^v <http://www.aaa.asn.au/default.htm>

^{vi} <http://www.cclondon.com/>

^{vii} Mathers C, Vos T, Stevenson c. (1999). Burden of disease and injury in Australia, AIHW Catalogue PHE 17, Canberra, Australian Institute of Health and Welfare. Estimate is higher than that in Stephenson J, Bauman A, Armstrong T, Smith B, and Bellew B (2000) The costs of illness attributable to physical inactivity in Australia – a preliminary study – A report prepared for The Commonwealth Department of Health and Aged Care and the Australian Sports Commission, Canberra. due to conservative estimate underpinning the health economics paper.

^{viii} Mathers C, Vos T, Stevenson c. (1999). Burden of disease and injury in Australia, AIHW Catalogue PHE 17, Canberra, Australian Institute of Health and Welfare.

^{ix} Stephenson J, Bauman A, Armstrong T, Smith B, and Bellew B (2000) The costs of illness attributable to physical inactivity in Australia – a preliminary study – A report prepared for The Commonwealth Department of Health and Aged Care and the Australian Sports Commission, Canberra. quotes \$400m in 93/94 dollars. This equates to \$720m in 2004, pers comm. 2004, John Goss, AIHW

^x Bauman A, Bellew B, Vita P, Brown W, Owen N. (2002) Getting Australia active: towards better practice for promotion of physical activity. National Public Health Partnership. Melbourne, Australia. p25. See www.nphp.gov.au

^{xi} AIHW: O'Brien K & Webbie K (2003). Are all Australians gaining weight? Differentials in overweight and obesity among adults, 1989–90 to 2001. Bulletin No. 11. AIHW Cat. No. AUS 39. Canberra: AIHW. see <http://www.aihw.gov.au/publications/aus/bulletin11/bulletin11.pdf>

^{xii} Anderson, Lars Bo. (2000) All-Cause Mortality Associated With Physical Activity During Leisure Time, Work, Sports and Cycling to Work. Archives of Internal Medicine Vol 160 No. 11 June 12.

^{xiii} See:

[http://www.vicroads.vic.gov.au/vrme/vrnte.nsf/alldocs/23A9C50D6B4AB8FBCA256EC7007D548C?OpenDocument&Area=\[Cyclists\]](http://www.vicroads.vic.gov.au/vrme/vrnte.nsf/alldocs/23A9C50D6B4AB8FBCA256EC7007D548C?OpenDocument&Area=[Cyclists])

^{xiv} Vuori, I. M., P. Oja, et al. (1994). Physically active commuting to work-testing its potential for exercise promotion. Medical Science in Sports and Exercise 26(7): 844

^{xv} see http://www.bv.com.au/Content/NavigationMenu/Campaigns/Information_and_research/Path_health_fix.htm

^{xvi} <http://www.everytripcounts.net.au/riding/1101.shtml>

^{xvii} Victorian EPA data from <http://www.epa.vic.gov.au/Air/Issues/aq9122.asp>, see also <http://www.epa.vic.gov.au/Air/Issues/pub426.asp>

^{xviii} *Healthier People and Healthier Places*, a discussion paper by VicHealth, see <http://www.vichealth.vic.gov.au/default.asp?artid=644&tid=495&level=2>

^{xix} Bicycle Victoria estimate based on VicRoads and Parks Victoria data and Melbourne 2030 strategy – see <http://www.dse.vic.gov.au/melbourne2030online/>

^{xx} VicRoads data – see <http://www.vicroads.vic.gov.au> under road projects

^{xxi} <http://www.doi.vic.gov.au/DOI/Internet/transport.nsf/AllDocs/19D8E6C7F444848DCA256E3E00162879?OpenDocument>

^{xxii} Based on VicRoads costings of freeways - see <http://www.vicroads.vic.gov.au> under road projects

^{xxiii} Malcolm Buchanan 2003, Achieving Sustainable Land Use and Transport Systems ... Time to stop deluding ourselves and face the choices, Proceedings of Getting Serious – Transport Land Use Integration, 2003 AITPM National Conference, 25-26 September 2003, Sydney. Keynote Address From Figure 3.6

^{xxiv} See <http://www.vicroads.vic.gov.au/> under road rules.