

Who Really Pays?

A Discussion Paper On Road Ownership

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A few thoughts on this for what it's worth.

First, travel on public highways (to use the legal jargon) has always been viewed as a natural right, though a right which can be abused. Motor vehicle travel on public highways came to be viewed as a special case and made subject to fees and regulation because of the clear and present danger posed by motor vehicles both to their occupants and to other road users. Road rules and registration fees as we know them today largely did not exist prior to the advent of the automobile.

Sadly, since motoring was first subjected to regulation some 90 years ago, the law has come to encroach on the natural right of other, more traditional road users (pedestrians, cyclists, horses) to travel freely on roads. What allowed this to happen was the popularisation of car use to the extent that it became the norm, and the use of roads for walking and cycling became secondary to their use as conveyances for motor vehicles.

The two main justifications for restricting pedestrian and cyclist travel are first 'safety' (the notion that the onus for preventing death and injury should be borne by those at risk of injury rather than by those responsible for creating a dangerous situation), and second, the idea that road use is not a natural right at all, but rather a privilege conferred by the payment of a fee.

The truth is that roads have always been paid for out of general public funds, in recognition of the principle that roads are public property, the use and enjoyment of which everyone is entitled to _as of right. Drivers of motor vehicles do make a contribution to this revenue pool via petrol tax, but the same is true of all taxpayers. In any case, even if all petrol tax were to be 'hypothecated' toward road expenditure there would still be a huge shortfall to be met out of general revenue. Upkeep of most local roads is not funded from federal or state sources at all, but comes out of council rates.

Turning to the compulsory annual fee that motorists pay, this has two components: the registration fee, which is basically an administrative charge to cover the cost of maintaining the database, pressing registration plates and so on; and a (much larger) insurance premium, which covers third party property damage. The latter is not appropriate to cyclists as their potential for damaging property is minimal; this leaves the question of whether cyclists should pay a fee and display registration plates like cars do. Many petrol heads advocate compulsory registration for cyclists on the grounds that this would somehow confer legitimacy on cyclists as road users. I've argued that this 'legitimacy' is not an issue and has never been an issue historically; despite prejudiced rantings about law-breaking cyclists, there is no urgent reason why cyclists should lose their natural right of way after 150 years. Bear in mind too that the size of the \$100-\$200 fee for motor registration reflects the administrative costs involved, and there is no inherent reason why bicycle registration would not involve similar overheads. This is borne out by studies into the expected cost of introducing a registration system for bicycles. Even the \$50-a-year charge mooted in some circles would serve to deter more would-be cyclists than any anti-bike measure save the motor car itself and introduce yet more red tape into the road system for no clear benefit!

Then there is the user-pays argument, that since roads and bike facilities cost money and are used by cyclists, cyclists should contribute to the cost. While this has more merit than the legitimacy argument, it is nevertheless undermined by the facts:

- The amount of damage done by a vehicle to a road surface increases roughly as the cube of axle weight (that is, total weight divided by number of axles). A single car does about as much damage as 2000 cyclists. A similar ratio applies to trucks vs. cars, so that when designing a new road the engineers will take into account only the expected number of truck movements and ignore the cars completely - never mind the bikes! If anything, this suggests that road freight operators should bear most of the cost for road maintenance.
- The Age printed in today's Metro section (12/2) a dressed-up press release from Vic Roads, part of which was making a song and dance about allocating all of \$2 million specifically to cycling from their 1998 budget. I don't have figures for their total annual budget on hand, but I'd estimate that it runs into the billions. So as a proportion of total expenditure, this \$2 million figure is nothing.
- However you calculate the external costs imposed on cyclists by motorists from such things as pollution and road danger, the figure summed over all cyclists in Victoria doubtless comes to more than the cost imposed by cyclists on the road system, given the two points above.
- Many cyclists also own cars and, by paying the same annual cost as habitual motorists but using their car far less, effectively subsidise these other motorists anyway.
- Besides all this, cyclists make an enormous contribution in 'avoided costs'. If a typical cyclist were a habitual motorist instead, they would by all accounts spend the same amount of time traveling each day, but be doing it all by car. The total distance traveled by car would be at least as much as on the bike, indeed greater if our cyclist were able to manage a higher average speed as a motorist (perhaps the ex-cyclist would move to a car-bound fringe suburb). The additional travel by car would impose additional costs on other motorists, and on the general public, which are largely avoided so long as the cyclists remain on their bikes. This is the 'One Less Car' argument and can be used to justify some level of subsidy by motorists toward cyclists. (It's also a powerful argument for subsidising public transport.)

As far as I'm aware virtually the entire cost goes on administration and funding the TAC, as I've suggested above. The only charge which motorists can claim should come back to them in benefits is petrol tax, and even that doesn't account for all road funding, especially when compensation for 'external costs to society' is taken into account.

Hope all this stuff proves useful.