

Sydney joins New York in rejecting the Congestion Tax.

New South Wales's enlightened Road Minister Eric Rozendaal has ruled out a congestion tax as a means to address congestion. As reported below, "Instead, Rozendaal is focusing on relieving the stress on the roads system through improved traffic networks and increased public transport."

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Congestion charge 'not suitable' for Sydney despite study recommendation

Written by Nelson Ireson
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A proposal for the introduction of a congestion charge on traffic entering Sydney's central business district (CBD) has been rejected as inappropriate for NSW motorists by Roads minister Eric Rozendaal. Sydneysiders already face very high expenses related to motoring, including high interest rates and petrol prices, and Rozendaal thinks adding to that burden in any way would only hurt families already struggling to make ends meet.

The study, published last week by the University of Sydney, claims that a congestion charge in the CBD could result in reductions in carbon dioxide emissions of up to 6% and at the same time reduce the amount of traffic on the roads, freeing up intersections and improving the overall flow. The study's proponents claim a 5% reduction in total traffic volume would suffice. Using a per-kilometre GPS-based system to track actual road usage with prices to vary according to time of day and other factors, the system would encourage people to drive at off-peak times, reducing the congestion at any given point in time.

Congestion charge already suggested by IPART, but not as additional fee

[Similar conclusions](#) were reached by NSW's own Independent Pricing and Regulatory Tribunal (IPART), tasked with a ground-up review of the state's tax system. However, the congestion charges suggested by the IPART report were to replace existing charges such as the stamp duty and registration fees. NSW's already high motoring costs mean more taxes cannot simply be added to road users' bills, but should instead be reallocated among more efficient, equitable taxes, like the congestion charge, according to IPART.

The solution suggested by the University of Sydney report does not include any recommendation for offsetting current taxes with the new congestion tax. The University study's advocates do agree that existing fees such as road tolls and fuel excise should eventually be phased out and replaced with the congestion charge, though over what time frame or to what degree is not clear.

Building more roads not an option

The report claims that in order to keep pace with the unquenchable thirst for more cars and the resulting traffic, as many as 14 new Lane Cove-size tunnels would have to be built if the congestion charge is not adopted. Such construction would be impossible to manage over either the short or long term, according to the study's authors.

Roads minister Eric Rozendaal is not oblivious to the congestion problem, but has ruled out a congestion charge as a way of dealing with it. Instead, Rozendaal is focusing on relieving the stress on the roads system through improved traffic networks and increased public transport.

Over one million new vehicles have hit NSW roads since 1995, with Sydney at the top of the count. Managing that sort of traffic influx will require a multi-faceted approach, but a congestion charge has been summarily dismissed as not suitable for the city. Instead, Rozendaal is looking for common sense solutions, rejecting the 'armchair' analysis of academics like those at the University of Sydney.