



Submission

Economic Reform Roundtable:

Road user charging



Key contributors



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Acknowledgement of Country

Roads Australia acknowledges Aboriginal and Torres Strait Islanders as the Traditional Owners and Custodians of this land and waterways.

We acknowledge and pay respect to their ancestors and Elders both past and present.

Roads Australia is committed to reconciliation amongst all Australians.

Introduction

Roads Australia welcomed the opportunity to provide a submission to the Economic Reform Roundtable, specifically focusing on road user charging (RUC) to strengthen budget sustainability.

Roads Australia is the peak body for roads within an integrated transport system, representing more than 120 organisations including Australia's transport agencies, major contractors and consultants, asset owners and operators, material suppliers and technology providers.

Australia's fuel excise is in decline with the transition to electric vehicles, which in the coming years will erode a significant source of government revenue and limit funds for critical works such as road maintenance. We need to develop a fair, transparent charge for all vehicles.

A road user charge would create a sustainable funding model for road maintenance and transport infrastructure works, such as EV charging stations, to support our growing population and economy.

Roads Australia and the transport infrastructure industry has long advocated for the adoption of RUC in Australia.^{1,2} With different states developing or attempting to develop their own RUC systems,^{3,4} there is a need for a nationally coordinated approach. The development of a RUC framework should be led by the Federal Government in conjunction with all jurisdictions to ensure harmonisation and a fair revenue sharing agreement across states and territories.

Other countries are already trialling and implementing RUC. New Zealand has a RUC that applies to all vehicles that do not use petrol as their primary fuel.⁵ European countries, such as Norway, are also undertaking large-scale trials of RUC on heavy and private vehicles.⁶

Now is the time for Australia to instate a modern, equitable funding scheme for road maintenance and transport infrastructure works. The following submission outlines three recommendations to develop, achieve public support for and implement RUC in Australia.

¹ Roads Australia (2021). State Budgets Elevate Need For Consistent Road User Charging Model for ZEVs. <https://roads.org.au/state-budgets-elevate-need-for-consistent-road-user-charging-model-for-zevs/>

² IPA (2023). Completing Road Reform. <https://infrastructure.org.au/policy-research/major-reports/completing-road-reform/>

³ Infrastructure Victoria (2025). Victoria's draft 30-year infrastructure strategy. <https://assets.infrastructurevictoria.com.au/assets/Victorias-draft-30-year-infrastructure-strategy.pdf>

⁴ NSW Government (20250. A fair and sustainable road user charge. <https://www.nsw.gov.au/driving-boating-and-transport/nsw-governments-electric-vehicle-strategy/road-user-charge>

⁵ Ministry of Transport (2020). Road User Charges system. <https://www.transport.govt.nz/area-of-interest/revenue/road-user-charges-system>

⁶ Q-Free (2024). Road User Charging expansion from heavy to private vehicles. <https://www.q-free.com/road-user-charging-expansion-from-heavy-to-private-vehicles/>

Recommendations summary

- 1. Develop a national road user charging framework during this term of government 2025-28**
- 2. Run a public awareness campaign on road maintenance funding**
- 3. Implement the road user charging framework by 2028**



1. Develop a national road user charging framework during this term of government 2025-28

In Roads Australia's recent submission to Minister King's Productivity Roundtable on freight transportation, we put forward the following recommendation in favour of RUC:

- Lead and progress Land Transport Market Reform⁷ to establish a national road user charge that fully funds road maintenance.

The development and implementation of a nationally coordinated RUC scheme should be led by the Federal Government in close cooperation with all states and territories. A nationally consistent framework will ensure equity, efficiency, and long-term funding sustainability for Australia's vast road network and its establishment should be prioritised this term of government 2025-28.

There are two key issues in the development of a RUC framework: who collects the RUC funds and who the RUC applies to. Roads Australia is agnostic to the level of government collecting the funds generated from RUC. What is important is that the framework is determined federally, consistent across jurisdictions and functions alongside state-based charging mechanisms that may already be in place, such as tolling, congestion charges and other demand management tools.

A RUC framework should apply to all vehicles that do not pay the fuel excise. RUC can operate in tandem with the current fuel excise system and would ensure equity in contributions with those road users that pay at the pump. Over time with the continual uptake of EVs, there would be a natural transition from fuel excise to RUC for all vehicles.

It is vital that all revenue raised is hypothecated, with funds transparently reinvested into maintaining and improving the road network and fairly allocated across jurisdictions. The end goal of a RUC system should be to fully fund the operation, maintenance and upgrading of the road network.

Roads Australia's members have the technology solutions for road usage monitoring and data collection, which prioritise both user experience and privacy protection. We would welcome the opportunity to convene a roundtable with our members and government to discuss these technological designs.

The Federal Government is encouraged to consult widely with jurisdictions, industry and the general public when establishing the RUC framework. Industry associations and transport infrastructure companies can provide government detailed industry insights to assist with the development of RUC.

⁷ As per recommendation made by Kerry Schott OA for TfNSW. <https://www.transport.nsw.gov.au/system/files/media/documents/2025/Delivering-freight-policy-reform-in-NSW-june-2025.pdf>

2. Run a public awareness campaign on road maintenance funding

Social licence will be central to the seamless implementation of RUC in Australia. To achieve this, the adoption of a national RUC scheme must be clearly underpinned by an effective public communication and awareness campaign.

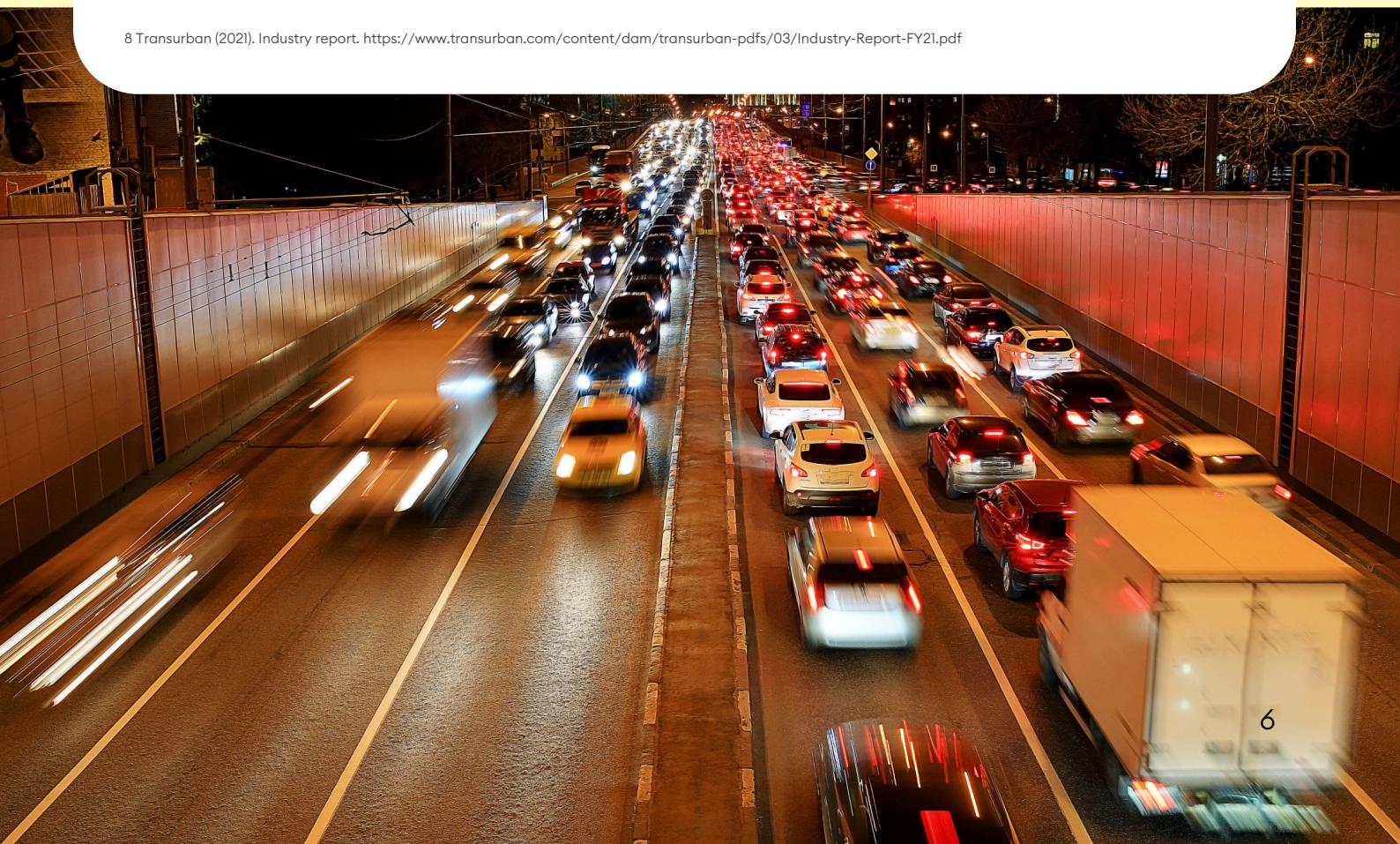
The campaign would need to simultaneously clarify the current road user contribution via the fuel excise and highlight the urgent need to replace declining fuel excise revenue with a fair and transparent RUC. This would help to gain public trust and acceptance for the transition to RUC.

For example, Norway's successful RUC trials have been underpinned by transparency and consistent public communication. RUC projects are clearly explained to the public, often long before implementation. People understand why they are paying and, more importantly, what they are paying for. Successful RUC systems hinge on social licence and trust, which stems from clear communication and visible reinvestment.

Research undertaken in 2021⁸ found that most Australians (64 per cent) believe a RUC model would be a fair way to contribute towards road funding. Additional research on public sentiment and perceptions of RUC today would help to articulate and refine public awareness campaigns, ensuring the effectiveness of both desired messaging and selected communication channels.

Industry associations, such as Roads Australia, stand ready to support and promote a public awareness campaign on the benefits of RUC to ensure a well-maintained road network into the future.

8 Transurban (2021). Industry report. <https://www.transurban.com/content/dam/transurban-pdfs/03/Industry-Report-FY21.pdf>



3. Implement the road user charging framework by 2028

There are different ways to introduce RUC in Australia. One approach is a phased rollout beginning as soon as practicable, commencing with heavy vehicles – recognising their significant impact on road wear and freight efficiency – before extending to all electric and hybrid vehicles from 2027, or when EVs comprise 30 per cent of new vehicle sales, whichever comes first.

Full implementation of the RUC framework should be achieved by 2028 and apply to all vehicles that do not pay the fuel excise.

This phased approach will allow governments and industry to trial, refine, and build public confidence in the system. Consideration may need to be given to appropriate equity measures to support regional, outer-metropolitan, and low-income road users who rely on travel for daily living, work, and community access.

A well-managed, phased implementation of RUC is essential to securing a future-ready, sustainable, and equitable transport funding system for all Australians.

Below is a proposed timeline for the development and adoption of RUC in Australia:

Years	Phases	Actions
2025-28	RUC framework development	<ul style="list-style-type: none">• Develop a national RUC framework• Engage all states and territories• Consult widely with industry and the general public
	Public awareness campaign	<ul style="list-style-type: none">• Run a public communication and awareness campaign• Undertake public sentiment research to ensure impactful messaging and social licence
2027-28	Phased rollout and trials	<ul style="list-style-type: none">• Roll out RUC framework to EVs and heavy vehicles only• Trial and refine the RUC framework
2028 onwards	Full implementation	<ul style="list-style-type: none">• Apply RUC to all vehicles that do not pay the fuel excise• Operate RUC in tandem with the current fuel excise system• Allow for natural transition from fuel excise to RUC for all vehicles

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