

NATIONAL ROADS AND CYCLISTS ASSOCIATION



PRESS RELEASE

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Following the call for a levy on bicycles by Pat Farmer, the President of the National Roads and Cyclists Association today endorsed the call for the cyclists to contribute to the cost of maintaining the road network. "Let's face it. The situation as it is untenable. Motorists are constantly calling me a tax cheat. I hear 'Get off the road! Pay your taxes!' all too often on my daily commute to my consulting contract in the CBD. Tax cheat? I pay income, company and good and services taxes but it's obviously not enough and no wonder motorists are peeved", said Mr Odds.

However, the NRCA does not see how Mr Farmer's proposed levy would work. "There is already a levy on bicycles. It's called the GST", said Mr Odds. He went on to say there is additional "reverse levy" applied to the motor vehicle industry. "The motor vehicle industry is constantly receiving tax breaks and direct hand outs from governments both state and federal. Take the recent situation with Mitsubishi in Adelaide. They make a poor business decision in choosing to make a car that nobody wants and the SA government and the feds are left picking up the pieces and paying \$50,000,000 between them for the privilege."

The NRCA would like to see a registration scheme for bicycles ridden on the roads and offers two alternative pricing schemes.

Scheme 1 would see a registration fee for bicycles that is equivalent to that currently paid by cars. A typical family car such as a 2000 model Mitsubishi wagon, pays \$51 registration fee and \$217 motor vehicle tax for a combined \$268. Mr Odds went on to say, "Based on the car's mass of 1,1467kg, that equates to 3 cents registration and 15 cents motor vehicle tax. totalling 18 cents a kilogram. That means that for my eight kilogram road bike, I would pay 28 cents registration and would be exempt from the motor vehicle tax because it doesn't have a motor in the usual sense of the word. I think that most cyclists would be happy to chuck in 28 cents a year to maintain our roads."

Scheme 2 would see all roads funding limited to what was raised through registration fees and motor vehicle taxes without any other contribution from consolidated revenue. "If we were to look at that, we would see combined car registration and motor vehicle tax probably get out to about \$3,000 a year or more, although we need to do a bit more research before we could finalise those estimates." said Mr Odds.

Mr Odds went on to announce a research project to be undertaken by the NRCA. To be called "Transparency and Honesty in Funding Roads", this major work will produce a detailed report detailing the true cost of the cost road network and guidelines for future funding. He expected the report to be released when it is finished.

“Hopefully when our report is released, our recommendations will be acted up by the government and we will have more equitable road funding system”, said Mr Odds.

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