



## PRIME MINISTER

### STATEMENT BY THE PRIME MINISTER, THE HON P J KEATING MP

#### ROAD USER CHARGES - THE FIGHTBACK BACKDOWN

The Coalition's policy on road user charges is a hypocritical sop to the National Party.

It flies in the face of Dr Hewson's Fightback rhetoric, exposing him as a bully who will abuse and affront his legitimate critics in the community, but shrinks and fails to get his way in his own Party Room.

The decision to fund roads through Consolidated Revenue " in the first term of a Hewson Government" is flagrantly at odds with Dr Hewson's Fightback manifesto.

*According to Fightback: "The user pays approach to the provision of public infrastructure is however important in achieving a rational approach to microeconomic reform. A key part of that reform process is getting the price signals right for transport. Fully funding road costs out of general revenue does not achieve that objective."*

Just one month ago, Dr Hewson expressed it this way: *"Down the track, we want to see a form of road user charge for commercial vehicles, especially heavy transport."*

Obviously, "down the track" means sometime after July 1996. This is not only at odds with Fightback and Dr Hewson's rhetoric, it's also bad policy - and Dr Hewson knows it.

The fact is the fuel excise costs Australian motorists about one third of the average level of fuel tax in OECD countries. Our petrol prices are already the second lowest of the 24 OECD countries.

In a press release on September 27, Dr Hewson said a road user charge, based on vehicle weight and distance travelled would be used to fund roads, "forcing an amount of consolidated revenue."

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Clearly, on realising that this would mean some heavy trucks would pay up to \$17,000 a year under a Hewson Government, the Leader of the Opposition has allowed himself to be talked into a cynical pre-election capitulation - deferring the road user charge at the expense of all taxpayers.

Dr Hewson claims to have eschewed popularity, preferring to strive for what's ideologically and economically right for the nation. But he didn't count on the intransigence of his colleagues in the National Party. The result is a policy under which all Australian taxpayers will subsidise road usage by commercial vehicles.

Dr Hewson's been rolled and, under his policy, the public will pay the price.

The reality within the coalition was described correctly by Dr Hewson a few years ago when he said the National Party laid claim to policy positions and the Liberal Party got rolled. Nothing has changed. Mr Fischer has assumed the mantle of the "roller" and Dr Hewson has maintained the Liberal average as "rollee".

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