

BRIEFING PAPER



4TH HEAVY VEHICLE CHARGES DETERMINATION

FOR THE INFORMATION OF

AUSTRALIAN TRANSPORT COUNCIL MINISTERS

JANUARY 2008

If endorsed by ATC ministers, the National Transport Commission's (NTC) heavy vehicle charges proposal will impose a new and substantially altered schedule of charges on the trucking industry, to be phased in over three years from 1 July 2008.

Registration charge increases, coupled with an increase in the Road User Charge, will impose heavy costs on the trucking industry and these costs will have to be passed on to Australia's dispersed communities and trade competing industries.

The ATA and its members do not support the recommended charges put forward by the NTC.

The NTC estimates that heavy vehicles pay \$1.78 billion a year in fuel excise and registration charges and is recommending that charges be increased to recover an additional \$170 million annually.

Independently verified analysis undertaken by the ATA shows heavy vehicles are currently overcharged by \$130 million a year for road infrastructure spending, not undercharged.

The NTC's proposal includes significant increases in registration charges for highly productive multi-combination vehicles, such as B-doubles and B-triples, which have been gaining prominence in the industry and delivering greatly enhanced safety and environmental performance.

- **Semi-trailer** registration charges will increase from 5,083 to 5,220 – including a charge on the prime mover of 3,930 and trailer axle charges of \$1,290
- **B-double** registration charges will increase from \$8,041 to \$14,340 – including a proposed multi-combination prime mover charge of \$7,050 and trailer axle charges of \$7,290
- **B-triple** registration charges will skyrocket to 20,340 – and this, despite the combination not being granted access beyond the double road-train network
- **Double road train** registration charges will increase from \$8,751 to \$10,390 – including the multi-combination prime mover charge of \$7,050 and trailer axle charges of \$3,340

The registration charge increases carry the very real prospect that industry productivity, safety and environmental performance will stall as trucking operators revert back to greater utilisation of the semi-trailer configuration and slow the uptake of B-triples.

It will be an unfortunate situation if the first significant road transport deliverable on CoAG's National Reform Agenda detracted from the productivity of the trucking industry. This will increase inflationary pressures in the community and reduce the competitiveness of Australia's trade competing industries.

The 4th Determination has been termed the 'building block' reform to productivity. If ATC ministers proceed with increasing charges, delivering productivity through positive reform will reach a new level of urgency.

In order to ameliorate the cost pass-through of increased charges and the distortions created by significant increases in registration charges for multi-combination vehicles, the trucking industry urges governments to deliver:

- a much expanded B-triple network, including the following routes as matters of priority:
 - Melbourne to Adelaide via the Great Western and Dukes highways;
 - Melbourne to Brisbane via the Newell Highway;
 - Melbourne to Sydney via the Hume Highway, including the Barton and Federal Highway links to Canberra;
 - Sydney to Adelaide via the Hume and Sturt Highways.
- an effective and administratively streamlined Performance Based Standards system – this requires the completion of the classification of the road network to match the four levels of access defined by the Standards;
- increased road network access, moving to general access, for quad-axle groups in 19m semi-trailer combinations; and
- a significantly expanded Higher Mass Limits network, particularly in NSW given its geographic importance for the movement of interstate transport.

The NTC's proposal seeks to recover \$66 million from the trucking industry in recompense for government expenditure on heavy vehicle enforcement.



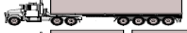





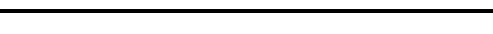
The ATA and its members strongly oppose the inclusion of this expenditure because the enforcement costs provided by road agencies are not open to industry scrutiny, benchmarked to efficiency increases, or adjusted to take into account fines revenue.

In addition, recovering enforcement expenditure through heavy vehicle charges imposes an indiscriminate cost on the industry, which is particularly unfair for compliant operators who already pay to demonstrate compliance by joining accreditation schemes like TruckSafe.

The ATA its members therefore urge ATC ministers to reject the inclusion of enforcement expenditure in heavy vehicle charges.

Before heavy vehicle expenditure is included as an item to be recovered through heavy vehicle charges the trucking industry urges transport ministers to:

- endorse the proposed national framework for heavy vehicle accreditation;
- link heavy vehicle charges to accreditation so that accredited operators demonstrating industry best-practise pay less in registration and fuel charges; and
- establish a national system for setting enforcement expenditure that is transparent, accountable, benchmarked to efficiency and which includes arrangements for the industry to be involved.

Heavy vehicle charges for selected vehicles: current vs. recommended		
	Current charges	Recommended charges
Road user charge (cents/litre)	19.633	21.000
<i>On-road fuel tax credit (cent/litre)</i>	<i>18.510</i>	<i>17.143</i>
Registration charge (\$/combination):		
Rigid truck and dog > 42.5 tonne	 $4,494+(4\times 355)=$ 5,914	$5,828+(4\times 380)=$ 7,348
Semi: tri-axle	 $4,019+(3\times 355)=$ 5,084	$3,930+(3\times 430)=$ 5,220
Semi: quad-axle	 $4,019+(4\times 355)=$ 5,439	$3,930+(4\times 430)=$ 5,650
B-double: tri-axle	 $5,911+(6\times 355)=$ 8,041	$7,050+(3\times 2,000)+(3\times 430)=$ 14,340
B-triple: tri-axle	 $5,911+(9\times 355)=$ 9,016	$7,050+(6\times 2,000)+(3\times 430)=$ 20,340
Double road-train: tri-axle, bogie dolly	 $5,911+(8\times 355)=$ 8,751	$7,050+(6\times 430)+(2\times 380)=$ 10,390
Triple road train: tri-axle, bogie dolly	 $5,911+(13\times 355)=$ 10,526	$7,050+(9\times 430)+(4\times 380)=$ 12,440
AB-triple: tri-axle, bogie dolly	 $5,911+(11\times 355)=$ 9,816	$7,050+(3\times 2,000)+(6\times 430)+(2\times 380)=$ 16,390
BAB-quad: tri-axle, bogie dolly	 $5,911+(14\times 355)=$ 10,881	$7,050+(6\times 2,000)+(6\times 430)+(2\times 380)=$ 22,390