

7 November 2025

National Transport Commission
Public submission – Heavy vehicle charges consultation report
Level 3, 600 Bourke Street
Melbourne VIC 3000

Submitted via: www.ntc.gov.au

Heavy Vehicle Charges Consultation Report (2026–27)

Cement Concrete & Aggregates Australia (CCAA) appreciates the opportunity to comment on the Heavy Vehicle Charges Consultation Report (October 2025). While the industry supports the principle of fair cost recovery for road use, CCAA does not support the proposed 6% increase in heavy vehicle charges for 2026–27 under the current Pay As You Go (PAYGO) model. The proposal does not reflect the realities of local road funding, industry contributions, or productivity constraints affecting the sector.

The construction materials industry is already a major funder of local road infrastructure, and the proposed charge increase would impose an inequitable double burden without delivering commensurate investment in the local roads that underpin the industry's operations.

Key Issues

1. Double Dipping in Road Funding

Local governments increasingly require the heavy construction materials industry to directly fund or maintain road infrastructure through developer contributions, access levies, or special charges. This means industry is already paying its way — both through direct local road user charges and via federal and state heavy vehicle levies. The proposed increase compounds this double charging without offering new value.

2. Lack of Transparency and Allocation of Revenues

There is no assurance that heavy vehicle charge revenues flow to the local governments responsible for maintaining the roads most used by heavy vehicles. Local councils contribute to the PAYGO cost base but receive funding indirectly through ad hoc mechanisms such as Financial Assistance Grants (FAGs), which are not linked to actual HV activity or road wear.

3. Funding Inequity and Infrastructure Impact

The existing funding model disproportionately disadvantages local governments that host aggregates, concrete, and quarrying operations. These councils experience greater road deterioration and maintenance costs yet lack proportional revenue reinvestment.

4. Economic and Affordability Consequences

The proposed 6% increase cannot be absorbed by the construction materials industry. Given tight margins and static productivity, cost increases will inevitably be passed through to infrastructure and housing markets, undermining affordability and efficiency.

5. Absence of Productivity Offsets

The consultation paper does not include any compensating measures to offset the increased costs — such as regulatory efficiency gains or improved access. In an environment of slowing productivity and increased compliance costs, the proposed rise represents a net productivity loss.

6. Structural Limitations of the PAYGO Model

The PAYGO framework is historically based and does not adequately link heavy vehicle charges to current or forward-looking road use patterns. CCAA supports the proposed consultation on a Forward-Looking Cost Base (FLCB) model and recommends accelerating its development.

CCAA Recommendations

- Reject the proposed 6% increase until mechanisms ensure equitable reinvestment of revenues into local government roads most affected by industry operations.
- Develop a transparent, ring-fenced funding mechanism for high heavy vehicle impact councils.
- Recognise and offset local road contributions already made by the industry to prevent double charging.
- Link any future charge increases to measurable productivity or regulatory efficiency improvements.
- Accelerate transition to a data-driven FLCB model for fair and transparent heavy vehicle charging.

Conclusion

CCAA supports a fair and efficient road charging framework but cannot support the current proposal in its present form. We urge the NTC and Ministers to reconsider the structure and distribution of charges to ensure they deliver genuine road infrastructure outcomes, not just additional costs for essential industries that build Australia's future.

Should your office wish to discuss this matter, please contact CCAA's Industry Policy Director, Mr David Rynne via [REDACTED] and [REDACTED].

Yours sincerely

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MICHAEL KILGARIFF
Chief Executive Officer