

## **Heavy vehicle charges determination 2021**

### **Regulatory Impact Statement (RIS)**

**24 August 2021**

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## 2. Background

The Motor Trade Association SA/NT (the MTA) is an employer organisation representing the interests of over 1,250 members and their more than 15,000 employees in the automotive retail, service and repair sector throughout metropolitan and regional South Australia (SA) and the Northern Territory (NT).

Eighty per cent of these businesses employ less than 20 employees. The automotive retail, service and repair sectors in SA and the NT add more than \$3 billion to the economy annually and employ over 30,000 people.

The MTA also operates a Training and Employment Centre in SA, comprised of both our Registered and Group Training Organisations. It is the automotive industry's training provider of choice with more than 900 apprentices in training and is the largest employer of automotive apprentices in South Australia with 450 employed through over 240 host businesses.

As a representative body, the MTA has 12 divisions representing the full range of trades within the automotive industry including:

- Automotive Dealers Association (SA/NT)
- Automotive Repair and Engineering Specialists (SA/NT)
- Automotive Dismantlers (SA/NT)
- Body Repair Specialists (SA/NT)
- Commercial Vehicle Industry Association (SA/NT)
- Farm and Industrial Machinery Dealers Association (SA/NT)
- Licensed Vehicle Dealers (SA/NT)
- Motorcycle Industry Association (SA/NT)
- Service Station (SA/NT)
- Towing Services (SA/NT)
- Tyre Dealers (SA/NT)
- General (SA/NT)

### 3. Industry Consultation

This submission summarises the views of the MTA's members. In developing this submission, the MTA has consulted with members in the following divisions:

Commercial Vehicle Industry Association  
Towing Services

### 4. Introduction

The Motor Trade Association (MTA) SA/NT represents over 1,250 members in the automotive industry in South Australia and Northern Territory. Changes to heavy vehicle charges are important to our members in the Commercial Vehicle, Towing and General Divisions. These sectors have had large impacts up on their businesses from travel restrictions brought on by the COVID-19 pandemic.

It is recognised the recovery of road expenditure that forms the cost base of heavy vehicle charges has been in deficit since 2017-18. However, we also acknowledge prior to 2017-18 the revenue from heavy vehicles was surplus to the estimated cost base. To readdress this imbalance the MTA argues for the least impact to affected members. We have responded to the following questions pertinent to our members.

### 5. Submission Response

**Question 23:** Do you have any views or comments on the likely implications of each of the implementation options and examples on industry or governments?

The NTC has correctly identified the direct implementation option would cause significant cost increases to certain classes of heavy vehicles. As the ESA values for bus classes have either doubled or tripled these represent a major adjustment to the respective cost allocation.

Combined with the full cost recovery under the direct implementation option this would impact three axle buses – i.e. Coaches – with a registration cost increase from \$2,731 to \$7,615 and dual axis busses over 12 tonnes from \$651 to \$2,606.

The MTA represents members who operate vehicles in these classes and have been experiencing major business disruptions caused by the impact of COVID-19 pandemic. The impost caused by option one on these members would be significant.

Implementation options 2 and 3 are a better compromise between cost recovery of infrastructure allocations and spreading out the impact over time to achieve cost recovery as per the pricing principals.

**Question 24:** Which implementation option do you prefer? Why do you believe it strikes the best balance in furthering the pricing principals?

The preferred option is implementation option 2 with the cost increases fixed at 3.5% per annum.

This provides the lowest implementation, especially to a passenger transport sector, greatly impacted by the impacts of the COVID pandemic. Options that impose a huge sudden increase to individual classes are not supported and need to be avoided.

## 6. Next Steps

The MTA is available to provide further information in relation to this submission and to clarify any aspect of it.

This includes meeting with agency representatives and facilitating further consultations with industry on proposed changes.

## 7. Submission Contact

For further information relating to this submission please contact:

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