



30 August 2021

Ramon Staheli

National Transport Commission

Public Submission – Heavy Vehicle Charges Determination: CRIS, June 2021

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RESPONSE TO HEAVY VEHICLE CHARGES CONSULTATION REPORT

I write to advise that the Australian Livestock and Rural Transporters Association (ALRTA) generally supports the submission lodged by the Australian Trucking Association (ATA) in response to the *Heavy Vehicle Charges Determination: Consultation Regulatory Impact Statement (CRIS), June 2021*.

ALRTA does however recommend an alternative three-year pricing pathway, as outlined below.

Our Association

The ALRTA is the peak body representing road transport businesses servicing the agricultural supply chain. We are a federation of six state associations including:

- Livestock, Bulk and Rural Carriers Association of New South Wales
- Livestock and Rural Transporters Association of Victoria
- Livestock and Rural Transporters Association of South Australia
- Livestock and Rural Transport Association of Western Australia
- Livestock and Rural Transporters Association of Queensland
- Livestock Transporters Association of Tasmania.

Together our associations represent around 700 transport businesses including owner-drivers, small fleet operators and large fleet operators each with hundreds of trucks and trailers.

The ALRTA National Council met via video link on 27 August 2021 to consider the CRIS.

Technical Amendments

ALRTA has participated in several NTC briefing sessions and worked closely with the ATA Transport and Economics Committee during the preparation of a submission. ALRTA generally supports the positions and technical recommendations contained in the ATA submission. Given our large remote and road train operator member base, it is fitting that ALRTA specifically reiterate our support for:

1. **The removal of the MaxMan module with the continued waiving of road related charges for dollies.** In our view, MaxMan is too complex and is not achieving the intended policy outcome. The dolly discount is a practical mechanism for simply applying an appropriately targeted discount for vehicles restricted to lower quality parts of the road network.
2. **Continuation of community service obligation (CSO) discount for double and triple road trains.** This is a minor, but important component of the PAYGO model, which must be maintained as a matter of principle. As NTC would be aware, CSO's are a significant focus of the separate Heavy Vehicle Road Reform process. As such, it would be inappropriate to remove the CSO component from PAYGO at this time.
3. **Continuation of an unsealed road travel discount and updating of the percentages used to calculate the discount.** ALRTA supports retention of the unsealed road travel discount and is currently in the process of collecting member survey data for supply to the NTC.

Heavy Vehicle Charges and Price Pathing

ALRTA strongly supports the adoption of a three-year pricing path. This will give greater certainty to road transport operators and government alike.

The ATA recognises that charging increases are necessary and has adopted a proposed pathway of increases as follows: 2.0 per cent, 3.0 per cent and 3.0 per cent. This is largely based on 'locking in' current CPI projections.

ALRTA member operators are similarly mindful of the market's current ability to absorb price increases. After a significant period of unforeseen disasters including drought, fire, floods and disease pandemic, there are many customers unable or unwilling to absorb increases above CPI.

At this stage, the focus of governments should be on supporting an economic recovery. Increasing charges on road transport will have a general negative impact on the cost of producing most goods and services in Australia.

It is also important to consider the increased regulatory burden currently placed on the road transport sector arising via strict internal border crossing restrictions. Road transport businesses must develop and apply COVID Safe plans, invest in PPE, apply additional training / oversight, and modify otherwise efficient transport operations to comply with the rules. At a driver level, there is untold additional cost and time associated with regularly attending COVID testing clinics, applying for border crossing permits, queueing at border crossings, driving additional distances to testing locations or spending unproductive time waiting for test results to be returned.

For these reasons, ALRTA recommends that charging increases should be lower than the minimum 3.5 per cent annual increases suggested by NTC.

However, ALRTA also acknowledges the increase in road infrastructure investment occurring in rural and regional areas. On this basis, ALRTA is prepared to consider a larger charging increase than those proposed by ATA.

In our view, **a reasonable price path over the next three years is as follows: 2.5 per cent, 3.0 per cent and 3.0 percent.**

In the short term, a 2.5 per cent increase is in line with that which has occurred in 2021-22. Given that the COVID situation has persisted since this decision was taken, a similar decision for 2022-23 is appropriate. We are hopeful that that situation will have improved in subsequent years, and ALRTA would therefore be prepared to accept a higher increase of 3.0 per cent in 2023-24 and 2024-25.

Conclusion

If your office wishes to discuss this proposal in more detail, please contact the ALRTA Executive Director, Mathew Munro, on (02) 6247 5434 or mathew@alrta.org.au

Yours sincerely



Scott McDonald

National President