

5 March 2021

National Transport Commission
Heavy vehicle charges consultation report
Level 3/600 Bourke Street
Melbourne VIC 3000

via email: enquiries@ntc.gov.au

Dear Sir/Madam

Heavy vehicle charges consultation report

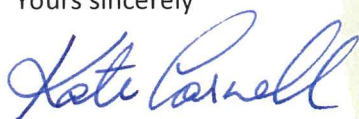
We welcome the National Transport Commission's interest in this consultation in the ability of heavy vehicle operators to pass on costs to consumers. This is a challenge for small businesses who often absorb costs in order to remain competitive, taking the difference out of their own profit margins. We welcome the National Transport Commission's initiative on this matter.

However, we do not support the proposed increase of 2.5% in the 2021-22 period for both the heavy vehicle registration component and the Commonwealth road user charge. The COVID-19 pandemic has significantly challenged many small businesses and any increases in freight costs at this time will only hurt economic recovery. If the Infrastructure and Transport Ministers decide to increase heavy vehicle fees, we strongly recommend they increase them by no more than 1.5%, in-line with the current RBA forecast inflation rate (as tracked by the Consumer Price Index).

We recognise there is a deficit between the cost of road construction and maintenance (estimated at 13.4 per cent) and the costs recovered through heavy vehicle charges. However, as the PAYGO model is currently under review to ensure it remains fit for purpose, that deficit should not be the determining factor in setting the proposed charge rate.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Mr Rowen Murphy on 02 6213 7448 or at rowen.murphy@asbfeo.gov.au.

Yours sincerely



Kate Carnell AO
Australian Small Business and Family Enterprise Ombudsman