



Mr Ramon Staheli  
Head of Economics  
National Transport Commission  
Level 3  
600 Bourke Street  
Melbourne VIC 3000

Dear Ramon

### **Heavy vehicle charges consultation report 2022-23**

In December 2021, infrastructure and transport ministers tasked the NTC with consulting on a proposal to increase heavy vehicle charges by 2.75 per cent in 2022-23.

Ministers indicated that they would revisit the issue of heavy vehicle charges in 2022, including options for setting charges over a multi-year period.

**The ATA does not support the proposed increase from 1 July 2022, because—**

- the weekly national average price of diesel has increased 52.3 cents per litre since the NTC issued its consultation report and 58 cents per litre since the December ministerial meeting. Trucking businesses have a limited capacity to pass on such dramatic increases to their customers.
- the Australian Government's decision to change fuel tax rates this week has caused confusion for the industry's customers and raises complex issues for trucking businesses. The effective fuel tax reduction for trucking businesses is 4.3 cents per litre, not the headline figure of 22.1 cents per litre that customers expect. As part of their response, ATA members are arguing that the Australian Government should immediately reduce the road user charge so trucking businesses receive the same tax relief as light vehicle operators.

The road user charge increase proposed in the NTC report will not have any effect until 29 September 2022, when the six month period of the fuel tax reduction ends.

Accordingly, **the ATA recommends that ministers use that time to reconsider the proposed increase and issue a fresh consultation report that takes into account the changed fuel price and tax environment.**

The new consultation report should address the need for charges to be set over a multi-year period.

Yours sincerely

Bill McKinley  
Chief of Staff

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