

12 October 2022

National Transport Commission  
Public submission – heavy vehicle charges from 2023-24  
Level 3, 600 Bourke Street  
Melbourne VIC 3000

E: <https://www.ntc.gov.au/>

### **CCAA SUBMISSION: OPTIONS FOR SETTING HEAVY VEHICLE CHARGES FOR 2023-24 AND BEYOND**

Thank you for the opportunity to comment upon the *Options for setting heavy vehicle charges for 2023-24 and beyond, consultation paper*.

Cement Concrete & Aggregates Australia (CCAA) is the peak industry body for cement manufacturers, concrete suppliers and extractive operators throughout Australia. Collectively known as the heavy construction materials industry, CCAA members operate cement manufacturing and distribution facilities, concrete batching plants, hard rock quarries and sand and gravel extraction operations throughout the nation to meet Australia's building and construction needs. These businesses make up of the majority of material producers and suppliers and range from large global companies to SMEs and family operated businesses.

Heavy construction materials are vital to delivering the infrastructure required to support Australia's built economy which underpins the development of our nation's physical infrastructure, generating approximately \$15 Billion in annual revenue and employing 30,000 Australians directly and a further 80,000 indirectly.

Heavy vehicle charging is a critically important issue for our sector. Most of the material produced by the industry is transported via heavy vehicles (with a minor proportion transported by rail, and with some cement clinker transported by ship via ports) and in relatively short distances in urban and peri-urban areas (eg under 60km per delivery for aggregates and under 15km for pre-mixed concrete). There are about 100,000 average heavy vehicle movements in Australia per day (usually during daylight hours) relating to our industry. Our industry contributes up to 10% of total road freight by volume and operates a fleet of some 6,500 concrete agitators, 2,500 tippers and 1,200 cement tankers.

In relation to government policy in this area, the following principles underpin CCAA's overall position:

- The Heavy Construction Materials Industry supports a strong and consistent pipeline of infrastructure projects that supports a productive and efficient Australian economy.
- CCAA recognises that the road freight industry is a significant user of the road network and accepts that as such the industry should pay a fair, but not disproportionate, contribution to service the road network.

- Any reform must however, take into account the vital role the road freight industry plays in building our economy and communities. Disproportionate charging will result in downstream impacts on goods and services.
- More specifically, heavy construction materials are an essential component in the infrastructure delivery chain, increased road user charges will impact directly on the industries' ability to deliver affordable construction materials for infrastructure projects.
- Supports the linking of road user charges to road expenditure, requiring revenue recovered through road users be earmarked for investment back into the road network, provided that:
  - There is a clear and transparent link between funds raised and investments made based on clear priorities.
  - It should not be simply a revenue-raising exercise for Government and not result in "double dipping" or cross subsidisation.
- Road charging reforms for the heavy vehicle sector must be accompanied with or followed by similar reforms for light vehicles.

In relation to the specific options outlined in the current discussion paper, we offer a general comment. Whilst any increase in charges be kept to a minimum, we strongly prefer an outcome that offers as much long term predictability and certainty of charges as possible.

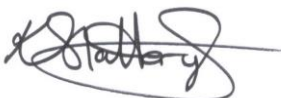
The volatility and unpredictability of current business operating and input costs are causing significant difficulties for the construction materials sector, and as such our preference for heavy vehicle charging is that it be clear and predictable.

You would be aware that increased charges will be passed onto customers and while it is never easy to pass on additional costs such as these, particularly in these inflationary times, it is exceptionally difficult, if not impossible to recover additional charges that are changed frequently over a drawn out time frame.

In other words, whilst obviously the industry prefers smaller charging increases, it is more disposed to options which provide greater predictability and certainty over the longer term.

Thank you for the opportunity to provide feedback as part of this process. To discuss further, contact Aaron Johnstone at CCAA on 0439 955 020 or email [aaron.johnstone@ccaa.com.au](mailto:aaron.johnstone@ccaa.com.au)

Yours sincerely



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