

Fuel Based Charging Policy as at 1 January 2011

<p>Background</p>	<ul style="list-style-type: none"> ■ Currently truck charging is by registration charges, and fuel excise (less fuel tax credits or the diesel grant) ■ Registration fees are paid to the states or territories of registration, and fuel excise is paid to the Australian Government. In 2009, registration fees were estimated to be \$727 million, and fuel excise was estimated at \$1,572 million ■ Through these charges, the trucking industry “pays its way” ie for the construction and maintenance of roads infrastructure. ■ The Council of Australian Governments (COAG) is developing a road reform plan. This includes considering alternative road pricing strategies for heavy vehicles. ■ These road pricing strategies range from staying with the status quo with fuel excise and registration charges to moving to a mass, distance, location based charging scheme.
<p>The Issue</p>	<ul style="list-style-type: none"> ■ In addition, to the trucking industry paying its way, the current heavy vehicle charging system is relatively easy to administer. ■ Registration fees are paid to jurisdictions and fuel excise is paid at purchase at the pump. Fuel Tax Credits (Diesel grant) are credited through Business Activity Statements (BAS). ■ Many alternative schemes for recovering charges are more complex and costly. For example, a mass, distance, location based charging scheme involves measuring not only the distances of journeys, but also the mass and location through vehicle telematics.(such as GPS tracking, electronic scales, & reporting) ■ The Australian Trucking Association (ATA), of which NatRoad is a member, has proposed a Fuel-based Charging Mechanism to recover heavy vehicle costs, with a standard registration fee of \$400 for administration, and Road User Charges (Fuel Excise) at 30.9cpl for 3 axle rigid and all articulated trucks. ■ In summary, the more you travel, the more you pay.
<p>NatRoad’s View</p>	<ul style="list-style-type: none"> ■ The Fuel-based Charging Mechanism proposed by the ATA is a simple and effective method of costs recovery. In fact, it is even clearer and more effective than the current charging system. ■ Other methods of charging are more complex and significantly more costly ■ Under the Fuel-based Charging Mechanism revenue is distributed to according to heavy vehicle related expenditure. For the first time, in addition to state governments, local governments benefit directly. ■ This more secure funding arrangement (especially for local governments) promotes more efficient infrastructure investment. Funding is provided with a minimum payment for maintenance and an additional amount for capital investment that is linked to road classification. ■ Importantly, the trucking industry continues to pay its way.

Next Steps	<ul style="list-style-type: none">■ NatRoad supports the ATA's Fuel-based Charging Mechanism through an evaluation process by the National Transport Commission (NTC).■ NatRoad is participating in the official consideration of Heavy Vehicle road pricing by a Government commissioned Project Team known as CRRP ie COAG Road Reform Plan
What members can do	<ul style="list-style-type: none">■ Make contact with NatRoad and tell us what you think.■ Talk to your local Member of Parliament about this issue.