

FACT SHEET

Vehicle and Traffic Amendment (Heavy Vehicle Charges) Bill 2016

The purpose of the *Vehicle and Traffic Amendment (Heavy Vehicle Charges) Bill 2016* is to amend the *Vehicle and Traffic Act 1999* to effect the implementation of the Transport and Infrastructure Council's decision of 6 November 2015 and to provide the ability for future heavy vehicle charges to be set in subordinate legislation.

The Bill principally contains an updated schedule of nationally consistent vehicle charges applicable to heavy vehicles, which are defined as those with a Gross Vehicle Mass (GVM) more than 4.5 tonnes and includes trucks, prime movers, trailers, buses and special purpose vehicles. This is consistent with the State's obligations under the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport.

The national registration charges for heavy vehicle classes are periodically recommended by the National Transport Commission (NTC) to reflect the estimated costs of the various heavy vehicle classes to the road network in a Heavy Vehicle Pricing Determination. The charges are set at levels to sustain the revenue base needed for governments to invest in road maintenance and construction, including infrastructure upgrades needed for improved heavy vehicle access.

The Transport and Infrastructure Council directed the NTC to undertake a comprehensive review of the heavy vehicle charging system and subsequently endorsed the NTC proceeding with a Determination on the basis of its review recommendations.

The Heavy Vehicle National Law commenced on 10 February 2014, in all jurisdictions except Western Australia and the Northern Territory, allowing the National Heavy Vehicle Regulator (NHVR) to undertake a number of heavy vehicle regulatory functions previously undertaken by jurisdictions. The intergovernmental agreement between the Commonwealth and States and Territories provides that the ongoing costs of the Regulator are to be recovered from the heavy vehicle industry.

The charges set by the Determination will implement cost recovery of the NHVR. This is reflected in the Bill by the introduction of a two-part heavy vehicle registration charge (motor tax) which comprises a road use charge to be retained by States and Territories, and a regulatory component which will be collected by jurisdictions on behalf of the NHVR. The regulatory component of the registration charges will replace Tasmania's payment to the NHVR.

The amended charges will come into effect on 1 July 2016.