

FAQs – Heavy Vehicle Charging Trials

Why does Australia's heavy vehicle charging system need to change?

Australia's heavy vehicle industry has a vital role in the prosperity of Australia by transporting the bulk of domestic freight across our country.

Heavy vehicles currently pay charges to help governments fund the maintenance, repair and upgrades to the road network needed to provide heavy vehicles with safe access.

However, this charging system is complex and is not working effectively, which means that it is getting harder for governments to fund the road services heavy vehicle operators need.

A fairer, more transparent system of charging is needed that better connects charges with the actual costs heavy vehicles impose on the road network and the road investments that heavy vehicles need to drive productivity in the road freight sector and, by extension, the national economy.

Making the change to a better system of charging will be complex and will take time. The Australian Government is working together with state, territory and local governments and the heavy vehicle industry to progress Heavy Vehicle Road Reform.

Why is Australia running heavy vehicle charging trials?

The Australian Government is investigating changing the way heavy vehicles pay for roads to a fairer, more sustainable system. Trials are an important way to test how a new system would work and resolve any problems before potentially implementing a new system on a large scale.

What is a heavy vehicle charging trial?

A heavy vehicle charging trial is a short-term study that tests how a different way of charging heavy vehicles might work. Running trials allows decision makers to learn how different heavy vehicle charging systems might work in reality, and provides a way to test and improve on the design or policies prior to potentially launching a larger scale project.

Heavy vehicle charging trials can be desktop studies (using information on travel provided by operators) or on-road trials with either simulated charging (no real payments are made) or real charging (participants make actual payments).

The Australian Government is running two different trial programs - a National Heavy Vehicle Charging Pilot and a Business Case Development Program looking at location specific trials.

What is the National Heavy Vehicle Charging Pilot?

The National Pilot is a structured way to trial replacement options for the current Pay-As-You-Go (PAYGO) heavy vehicle charging system (made up of registration fees and the fuel-based road user charge) with a national direct user charging system. The first research-based stage will commence in early 2018 following consultation with industry.

The national pilot will provide a way for governments to test a new heavy vehicle charging system. Information gained from running the national pilot and the feedback from participants will help governments to improve upon the design or policies prior to potentially launching a larger-scale project.

The national pilot will operate over a number of stages which will align with consideration by decision makers of broader reform components such as economic regulation and minimum service level standards.

Who will participate in the National Pilot?

Participation in the National Pilot will be open to interested heavy vehicle operators on a voluntary basis. The first two stages will involve desktop studies and on-road trials using simulated charging, and will not involve participants paying additional or alternative charges.

Through the trials heavy vehicle operators will have a chance to experience how a new charging system would operate, and can provide feedback on what works well, and what needs improvement.

What are location-specific trials?

The Australian Government is running a Business Case Program, which will provide funding in 2018-19 to partner with state and territory governments, industry and local stakeholders, to scope location-specific trials.

The Business Case Program will fund the scoping of trial proposals in specific geographical regions – where there may be an appetite by the heavy vehicle industry to agree to additional per kilometer charges, over and above what they are paying through the fuel excise system, where those charges are linked to specific benefits to the heavy vehicle industry.

Benefits to be explored include high productivity vehicles utilising routes where they cannot presently be used and targeted investments to upgrade roads in a particular area which is of benefit to heavy vehicle operators – for example, livestock or grain transporters in a particular rural area.

A key principle for these proposals will be that industry must receive an additional benefit for the additional charge that they will pay.

The Business Case Program does not provide or commit the Australian Government to provide funding for infrastructure upgrades that may be scoped as part of these location-specific trial proposals.

Who will participate in location-specific trials?

Location specific trials may be open to all heavy vehicles, to specific vehicle types (such as heavier or longer vehicles), or to specific industries operating within an area depending on the design of the trial and what it is testing.

Heavy vehicle operators who take part in location-specific trials will be able to have their say on issues in their area that are important to their business (such as access needs and road upgrades) and can work with governments to explore how location-specific charges (above the national PAYGO system) can be used to address local supply chain and productivity issues.

Why should industry participate in heavy vehicle charging trials?

The National Pilot and Business Case Program provide the opportunity for heavy vehicle operators to shape and test options for Heavy Vehicle Road Reform.

It will also be an opportunity to test, in a real world setting, concerns expressed by some about issues such as technology, data and privacy, charges on non-economic roads and compliance costs of a new system.

A reformed charging system needs to put users at the centre of it – trials are an important way to build confidence of industry, governments and the community in these reforms.