Heavy vehicle charges consultation report

January 2021

National Transport Commission

Report outline

Title	Heavy vehicle charges consultation report
Type of report	Consultation report
Purpose	For public consultation
Abstract	The purpose of this report is to support public consultation on the Infrastructure and Transport Ministers Meeting's (ITMM's) proposal to increase heavy vehicle charges by 2.5 per cent for 2021–22. This is in response to the end of a previous decision to freeze heavy vehicle charges which expires on 30 June 2021.
Submission details	The NTC will accept submissions until 12 March 2021 online at **www.ntc.gov.au** or by mail to: National Transport Commission Public submission – Heavy vehicle charges consultation report Level 3, 600 Bourke Street Melbourne VIC 3000
Attribution	Source: National Transport Commission, Heavy vehicle charges consultation report
Key words	Road User Charge, heavy vehicle charges, registration charges, road expenditure, charges revenue, cost base
Contact	National Transport Commission Level 3/600 Bourke Street Melbourne VIC 3000 Ph: (03) 9236 5000 Email: **enquiries@ntc.gov.au** **www.ntc.gov.au**

Have your say

What to submit and by whom

- The NTC would like to hear from industry and the public.
- The NTC welcomes submissions that respond to the issues raised in this paper.

Consultation question

Question 1:	What are your views on the Infrastructure and Transport Ministers Meeting's proposal to increase heavy vehicle registration and Road User Charges by 2.5 per cent in 2021–22?

In support of your responses to this question, we are interested in any evidence which you can provide about the following issues:

- Which costs are typically passed through to customers (and to end consumers) and which costs are absorbed by vehicle owners or operators?
- Is the pump price of fuel a cost that is charged separately under typical hire-and-reward contracts (such that fuel price fluctuations do not impact profit margins)?
- Does the answer depend on the size of the business and their contract bargaining power?

Any information provided on these questions will help inform Ministers about the broader context in which their final decision on heavy vehicle charges will be made.

When to submit

We are seeking submissions on this consultation report by 12 March 2021.

How to submit

Any individual or organisation can make a submission to the NTC.

Visit **www.ntc.gov.au** and select 'Submissions' in the top navigation menu.

Or, send a hard copy to:

National Transport Commission
Public submission – Heavy vehicle charges consultation report
Level 3, 600 Bourke Street
Melbourne VIC 3000.

Where possible, you should provide evidence, such as data and documents, to support the views in your submission.

Publishing your submission

Unless you clearly ask us not to, we publish all the submissions we receive online. We will not publish submissions that contain defamatory or offensive content.

The *Freedom of Information Act 1982* (Cwlth) applies to the NTC.

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Executive summary

Introduction

The Infrastructure and Transport Ministers Meeting (ITMM) has requested the NTC to undertake a public consultation process on a proposed increase to heavy vehicle charges in 2021–22.

This consultation supports the Deputy Prime Minister and Minister for Infrastructure, Transport and Regional Development's obligations as Transport Minister under the *Fuel Tax Act 2006* (Cth).

Current situation – heavy vehicle cost recovery

The NTC estimates that to ensure governments recover the amount spent on providing roads to heavy vehicles in 2019–20, current heavy vehicle charges would need to rise by 13.4 per cent for 2021–22. If no decision is taken by ITMM, heavy vehicle charges would be automatically increased by 13.4 per cent for 2021–22 under the annual adjustment formula contained in the Heavy Vehicle Charges Model Law (the Model Law).

Increase to state and territory registration charges

The proposal is that a 2.5 per cent increase be applied to the roads component of registration charges in 2021–22. The regulatory component of registration charges will be re-set on a cost recovery basis for 2021–22, with minimal changes expected. This means that the overall increase in total registration charges including both regulatory and roads components is expected to be slightly below 2.5 per cent.

Increase to the Commonwealth Road User Charge (RUC)

The proposal is that a 2.5 per cent increase be applied to the RUC in 2021–22. This will increase the RUC to 26.4 cents per litre on 1 July 2021.

Question: What are your views on the proposal to increase heavy vehicle registration and Road User Charges by 2.5 per cent in 2021–22?

1 Introduction

Key points

- The current decision to ‘freeze’ heavy vehicle charges is ending.
- ITMM has asked for public consultation on a potential increase to both registration charges and the Road User Charge (RUC) of 2.5 per cent in 2021–22.

1.1 The NTC’s responsibilities

The National Transport Commission (NTC) has ongoing responsibilities for recommending heavy vehicle charges to ITMM. These charges are intended to apply nationally and are set to fully recover the share of road construction and maintenance costs that can be allocated to heavy vehicles.

1.2 The current ‘freeze’ of heavy vehicle charges is ending

In May 2020, the Transport and Infrastructure Council (the predecessor of ITMM) resolved that charges be frozen for 2020-21. The Council took this decision considering the extraordinary contraction in economic activity and income expected for the June quarter of that year. By freezing charges, the Council expressed its support for the operators of heavy vehicles, many of whom are small businesses. The Council noted that some were working hard under tight margins to keep essential goods moving during the COVID-19 pandemic, while others were experiencing a severe downturn in work. This freeze decision ends on 30 June 2021.

1.3 ITMM consideration

National heavy vehicle charges, which are designed to recover the heavy vehicle share of road expenditure, have essentially been static since 2014.

ITMM has asked for consultation on a potential increase to charges of 2.5 per cent in 2021–22. This proposed increase is consistent with the previous decision that charges be increased by 2.5% each in 2020–21 and 2021–22, which was the subject of public consultation in late 2019 and early 2020.

The proposed increase would be significantly less than the amount of 13.4 per cent estimated as necessary to fully recover the heavy vehicle share of recent road construction and maintenance costs in 2021–22.

1.4 Direction to the NTC

ITMM requested the NTC to undertake a public consultation process on a proposed increase to heavy vehicle charges in 2021–22 on 21 December 2020. This consultation process will include a proposed increase to the RUC, to satisfy the requirement for the Deputy Prime Minister to consult on this increase under the *Fuel Tax Act 2006* (Cth).

Under the *Fuel Tax Act 2006* (Cth), prior to determining to increase the RUC, the Transport Minister is required to make public the proposed increased rate of the RUC, and any information relied upon in reaching the proposed increase, for at least 60 days, and must consider comments received from the public within the period specified.

2 Background on heavy vehicle charges

Key points

- Heavy vehicle charges apply to all vehicles with a Gross Vehicle Mass (GVM) of above 4.5 tonnes.
- They consist of a Road User Charge (RUC) on diesel fuel and a yearly registration charge comprising roads and regulatory components.
- Charges are set using the PAYGO model which calculates the heavy vehicle cost base based on historical government road expenditure and road usage data.
- ITMM decides on heavy vehicle charges. The NTC provides advice to ITMM to support its decision-making.
- The binding pricing principles governing the NTC's advice have a strong focus on achieving full cost recovery of allocated costs over time.
- The RUC is implemented under the Commonwealth *Fuel Tax Act 2006*. The RUC is implemented as a fuel tax credit.
- Registration charges are implemented through the Heavy Vehicle Charges Model Law. The charges have legislative force once the Model Law is adopted by states and territories.

2.1 Heavy vehicle charges

2.1.1 What are heavy vehicle charges

Heavy vehicles include all vehicles with a Gross Vehicle Mass (GVM) of above 4.5 tonnes.

There are three components to the charges paid by heavy vehicles:

- The diesel fuel charge (also known as the Road User Charge or RUC), administered by the Commonwealth Government.
- The roads component of the registration charge, as applied by state and territory governments, which reflects the amount of damage that each type of heavy vehicle does to the road.
- The regulatory proportion of the registration charge, which is applied to cover the operating cost of the National Heavy Vehicle Regulator (NHVR).

The diesel fuel charge and registration charge are linked to government expenditure on roads. The amount to cover the cost of the NHVR is designed to reflect the NHVR's budget, which is approved by ITMM.

2.1.2 NTC's role

The NTC has ongoing responsibilities for recommending heavy vehicle charges to ITMM[1]. These charges are intended to apply nationally and are set to fully recover the share of road construction and maintenance costs that can be allocated to heavy vehicles.

2.1.3 Pricing principles and the importance of cost recovery

A set of guiding principles govern the application of the cost recovery methodology. These pricing principles were agreed by the Australian Transport Council (a predecessor of ITMM) and the Council of Australian Governments (COAG), and are binding on the NTC.

The current pricing principles were designed to guide the NTC towards an outcome that efficiently recovers the cost of providing road infrastructure for heavy vehicles. In addition, the principles also take into account issues of relevant public interest, such as fairness and equity.

The COAG principles[2] are:

"ATC direct the NTC, in developing its Determination, to apply principles and methods that

1. *ensure the delivery of full cost recovery in aggregate,*
2. *further develop indexation adjustment arrangements to ensure the ongoing delivery of full expenditure recovery in aggregate and*
3. *remove cross-subsidisation across different heavy vehicle classes,*

recognising that transition to any new arrangement may require a phased approach".

ATC/SCOTI guiding principles[3]

"National heavy vehicle road use prices should promote optimal use of infrastructure, vehicles and transport modes. This is subject to the following:

1. *full recovery of allocated infrastructure costs while minimising both the over and under recovery from any class of vehicle*
2. *cost effectiveness of pricing instruments*
3. *transparency*
4. *the need to balance administrative simplicity, efficiency and equity (e.g. impact on regional and remote communities/access)*
5. *the need to have regard to other pricing applications such as light vehicle charges, tolling and congestion."*

Both the ATC and COAG principles are standing principles until the relevant authority changes them and are binding on the NTC.

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[1] Under the Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport 2003, and in accordance with the pricing principles.

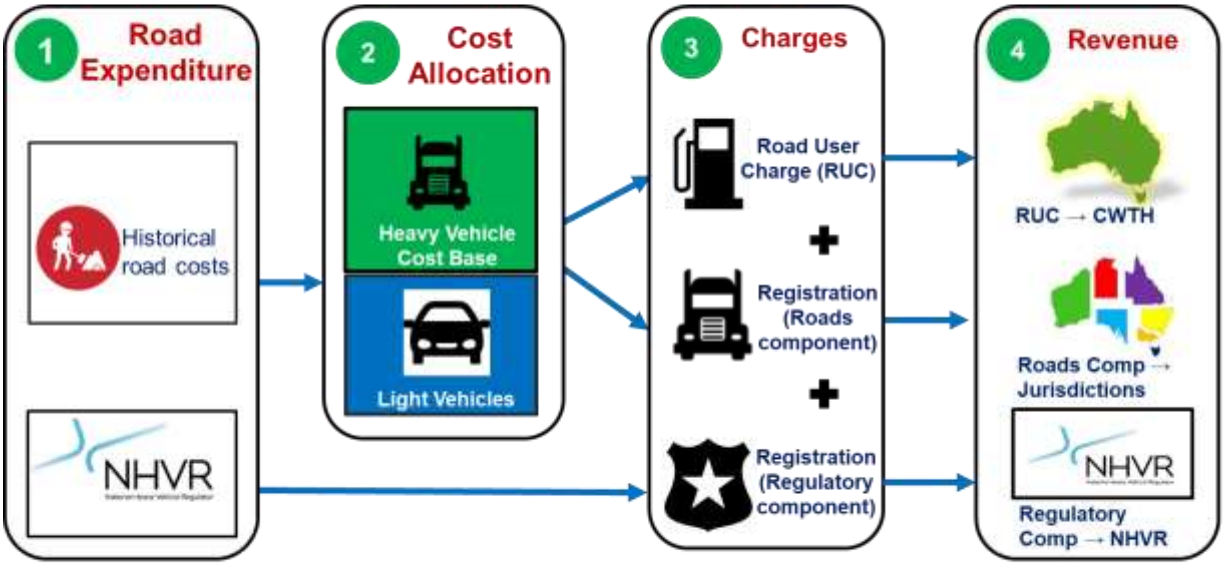
[2] Endorsed at its meeting of 13 April 2007.

[3] Approved by ATC in August 2004 and reaffirmed in May 2007. Note: SCOTI is the Standing Council on Transport and Infrastructure, a predecessor of ITMM.

2.1.4 The PAYGO model

Each year, jurisdictions provide the NTC with a completed road expenditure template which covers all road construction and maintenance costs (light and heavy vehicles). Data from the Australian Bureau of Statistics Government Financial Statistics Series is used to account for local government expenditure on roads. A cost base is then established with the heavy vehicle portion recovered via heavy vehicle charges. Figure 1 provides an overview of the existing PAYGO system.

Figure 1. Overview of the current PAYGO system



The cost base is calculated by taking a weighted 7-year average of the historic financial costs of providing roads. These costs, which are measured in a number of expenditure categories, are then allocated between vehicle classes on the basis of:

- a cost allocation matrix[4]
- usage data including vehicle kilometres travelled, ESA-kilometres travelled, AGM-kilometres travelled, and PCU-kilometres travelled[5].

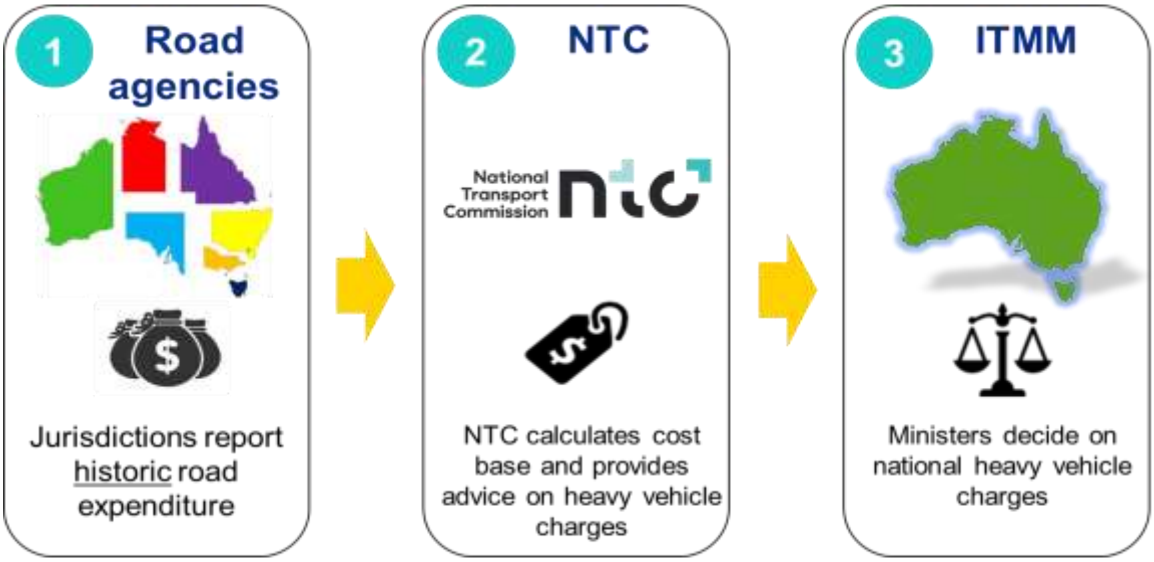
Based on the costs allocated to each vehicle class, the NTC then recommends a set of heavy vehicle charges that recovers the heavy vehicle cost base in total while ensuring each vehicle class, on average, pays at least the attributable costs allocated to the vehicle category.

Figure 2 illustrates how the NTC processes this information and makes recommendations to ITMM. The NTC's advice on heavy vehicle charges is informative and decisions on setting heavy vehicle charges are made by ITMM.

[4] The cost allocation matrix has been developed over time with input from industry and experts and has been subject to consultation. The current matrix was first approved as part of the 2007 Heavy Vehicle Charges Determination.

[5] ESA stands for Equivalent Standard Axles, a measure of road wear caused by a vehicle, AGM stands for Average Gross Mass, a measure of vehicle weight, and PCU stands for Passenger Car Unit, a measure of the footprint of a vehicle.

Figure 2. Overview of existing PAYGO regulatory process



Determinations where all aspects of the model and the resulting heavy vehicle charges are reviewed (taking into account the pricing principles and other directions from government) are carried out infrequently. In the years between determinations, an annual adjustment formula is used to ensure that heavy vehicle charges continue to recover the heavy vehicle cost base. This formula is included in the Heavy Vehicle Charges Model Law and is intended to automatically adjust heavy vehicle charges without the need for ITMM to approve the change.

In simple terms, the annual adjustment formula works out a single percentage increase or decrease that is applied to all registration charges and to the RUC rate, which takes into account the gap between the most recent cost base and the previous year's cost base, as well as growth in the vehicle fleet and fuel consumption by heavy vehicles.

2.1.5 Legislation

The RUC is implemented under the Commonwealth *Fuel Tax Act 2006*. It is implemented as a fuel tax credit.

The *Fuel Tax Act 2006* (Cth) requires that the Transport Minister (the Minister) determine the amount of RUC paid by heavy vehicle operators. The Act requires that the minister conducts a public consultation process before increasing the rate of the RUC.

The consultation period must be at least 60 days and the minister must make available the proposed increased rate of RUC, and any information that was relied on in determining the proposed increased rate.

The *Fuel Tax Act 2006* then requires the minister to consider any comments received, within the period specified by the minister, from the public in relation to the proposed increased rate.

Registration charges are implemented through the Heavy Vehicle Charges Model Law. This contains the schedules of heavy vehicle registration charges agreed by ITMM. The Model Law also provides a formula to calculate an annual adjustment for charges in the years between determinations. The charges have legislative force once the Model Law is adopted by states and territories.

3 Information considered

Key points

- Road expenditure by jurisdictions increased significantly in 2017–18 and 2018–19 and remained high in 2019–20.
- As a result of increases in total road expenditure and changes in the composition of that expenditure, the heavy vehicle cost base for the 2021–22 charges year is now $3.817 billion.
- Heavy vehicle charges revenue has remained relatively static due to the revenue and charges 'freezes' that applied to heavy vehicle charges from 2016–17 to 2020–21.
- For 2020–21, the gap between the heavy vehicle cost base and estimated revenue at current charges is $452 million or 13.4 per cent.
- If heavy vehicle charges remain static, it is likely that the gap between the heavy vehicle cost base and revenue from heavy vehicle charges will remain significant.

3.1 Current state – heavy vehicle cost base and revenue

3.1.1 Road expenditure trends

Road expenditure across all levels of government has increased significantly over recent years. Figures 3 and 4 show how national arterial road expenditure and national local road expenditure have changed over time.

Figure 3. Trends in national arterial road expenditure

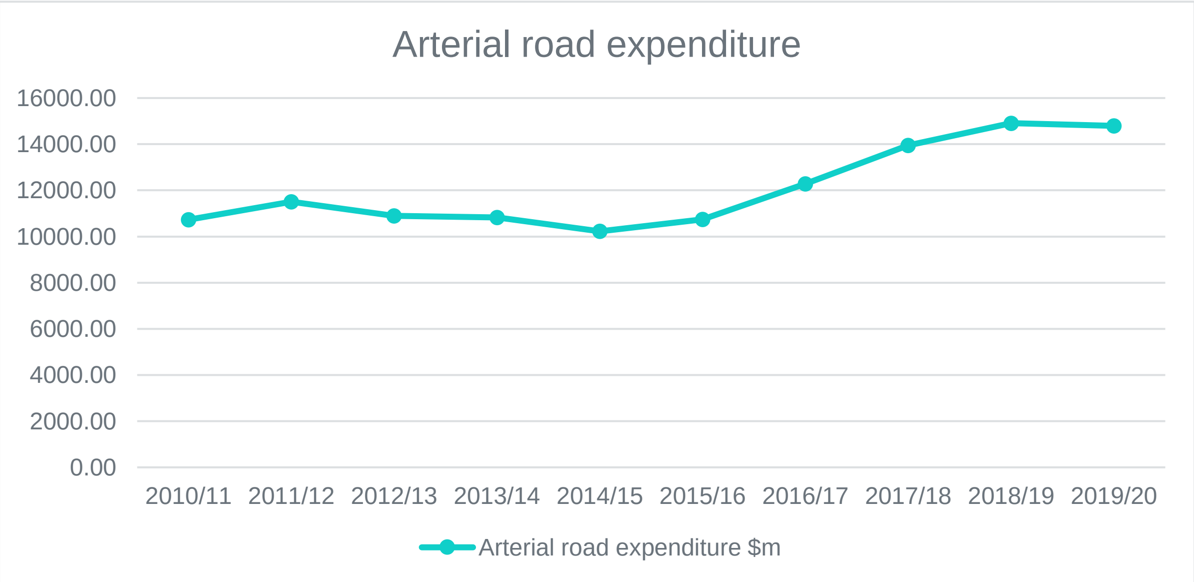
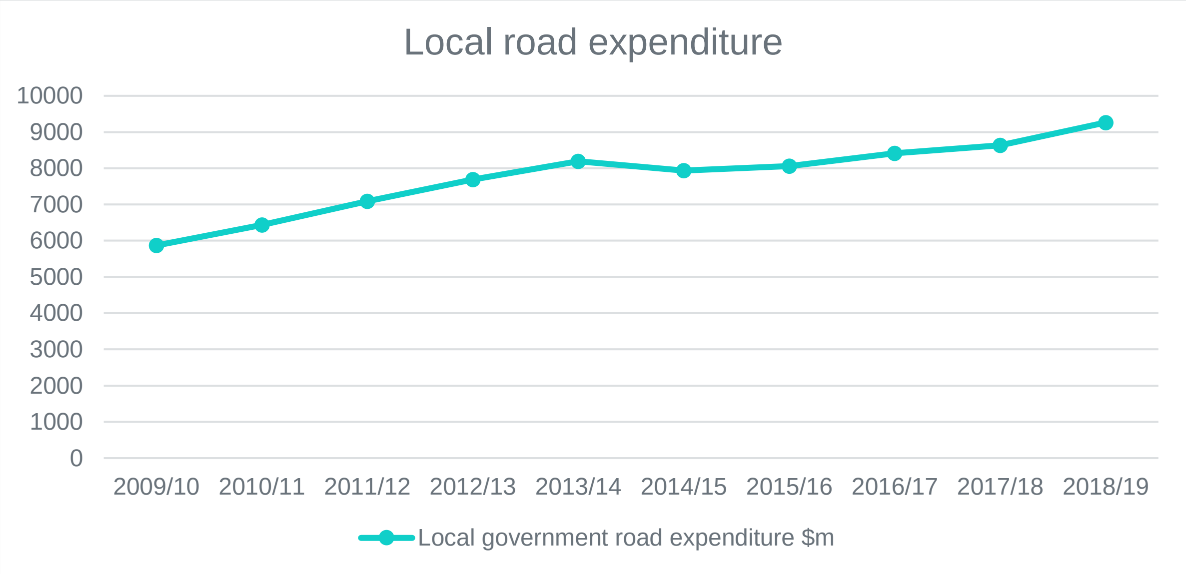


Figure 4. Trends in national local road expenditure



A key observation is that arterial road expenditure has increased significantly in recent years. As the heavy vehicle cost base is the part of total expenditure allocated to heavy vehicles, it will be influenced by expenditure trends.

3.1.2 Changes in expenditure since 2016–17

When the then-Transport and Infrastructure Council made the decision to ‘freeze’ heavy vehicle charges in November 2017, it was relying on the latest road expenditure information for 2016–17. In its latest deliberations, ITMM has relied on expenditure information for 2019–20. Showing changes in expenditure since 2016–17 helps illustrate how the heavy vehicle cost base has been affected by changes in road expenditure over recent years.

Table 1. Changes in state and territory road expenditure since 2016–17

Code	Expenditure category	Share allocated to heavy vehicles in 2019–20	2016–17 expenditure $m	2019–20 expenditure $m	Change $m	Change %
A	Servicing and operating expenses	6.7%	785	984	199	25%
B1	Routine maintenance	38.4%	690	683	-7	-1%
B2	Periodic surface maintenance of sealed roads	51.9%	584	686	102	17%
C	Bridge maintenance & rehabilitation	31.0%	284	370	86	30%
D	Road rehabilitation	45.7%	911	1,056	145	16%
E	Low-cost safety & traffic improvements	8.7%	1,197	1,527	330	28%
F1	Pavement improvements	45.7%	2,006	2,619	613	31%
F2	Bridge improvements	8.2%	1,029	1,145	116	11%
F3	Land acquisition, earthworks, other extensions / improvement expenditure	7.7%	4,093	4,873	780	19%
G1	Corporate services	6.7%	709	852	143	20%
	Totals	22.2%	12,288	14,795	2,507	20%

This table shows that total road expenditure that can be allocated between light and heavy vehicles has increased by $2.5b or 20 per cent between 2016–17 and 2019–20. In addition to the overall increase in expenditure, the composition of expenditure has also changed. For example, expenditure in category *F1-Pavement improvements* increased by 31 per cent over this period. As approximately 46 per cent of the expenditure in this category is allocated to heavy vehicles, it has strongly contributed to the increase in the heavy vehicle cost base.

3.1.3 Expenditure in 2019–20 has remained high

Table 2. Latest change in state and territory road expenditure by expenditure category

Code	Expenditure category	Share allocated to heavy vehicles in 2019–20	2018–19 expenditure $m	2019–20 expenditure $m	Change $m	Change %
A	Servicing and operating expenses	6.7%	934	984	50	5%
B1	Routine maintenance	38.4%	684	683	-1	0%
B2	Periodic surface maintenance of sealed roads	51.9%	800	686	-114	-14%
C	Bridge maintenance & rehabilitation	31.0%	320	370	50	16%
D	Road rehabilitation	45.7%	928	1,056	128	14%
E	Low-cost safety & traffic improvements	8.7%	1,780	1,527	-253	-14%
F1	Pavement improvements	45.7%	3,366	2,619	-747	-22%
F2	Bridge improvements	8.2%	1,043	1,145	102	10%
F3	Land acquisition, earthworks, other extensions / improvement expenditure	7.7%	4,290	4,873	582	14%
G1	Corporate services	6.7%	768	852	85	11%
	Totals	**22.2%**	**14,913**	**14,795**	**-18**	**-1%**

Total expenditure in 2019–20 decreased by 1 per cent compared to the previous year, remaining close to the historically high expenditure in 2018–19. There were significant changes in the composition of the total expenditure.

3.1.4 The heavy vehicle cost base has increased

The following table shows the heavy vehicle cost base for the 2018–19, 2019–20, 2020–21 and 2021–22 charges years. These are based on reported expenditure for the prior seven years. These figures may differ slightly from historical published figures due to later revisions of expenditure and usage data.

Table 3. Heavy vehicle cost base in various heavy vehicle charges years

Heavy vehicle charges year	Cost base, $m
2018–19	3,058.6
2019–20	3,274.7
2020–21	3,713.6
2021–22	3,817.2

The heavy vehicle cost base for 2021–22 is now $3.817b. This figure has increased significantly since 2018–19 when governments initially decided to freeze heavy vehicle charges.

3.1.5 Charges revenue

The implementation of the ‘frozen revenue’ approach for 2016–17 and 2017–18 heavy vehicle charges followed by the ‘frozen charges’ approach for 2018–19, 2019–20 and 2020–21 has meant that heavy vehicle charges revenue has remained static at first and then climbed slowly in recent years. Growth in heavy vehicle charges revenue was driven by growth in the heavy vehicle fleet and increasing total fuel consumption.

3.1.6 Gap between heavy vehicle cost base and revenue for 2020–21 charges year

The significant increases in road expenditure outlined in sections 3.1.2 and 3.1.3 combined with the slower growth in heavy vehicle charges revenue outlined in section 3.1.5 have resulted in a gap between the heavy vehicle cost base and heavy vehicle charges revenue.

Figure 5. Comparison of heavy vehicle cost base and estimated revenue

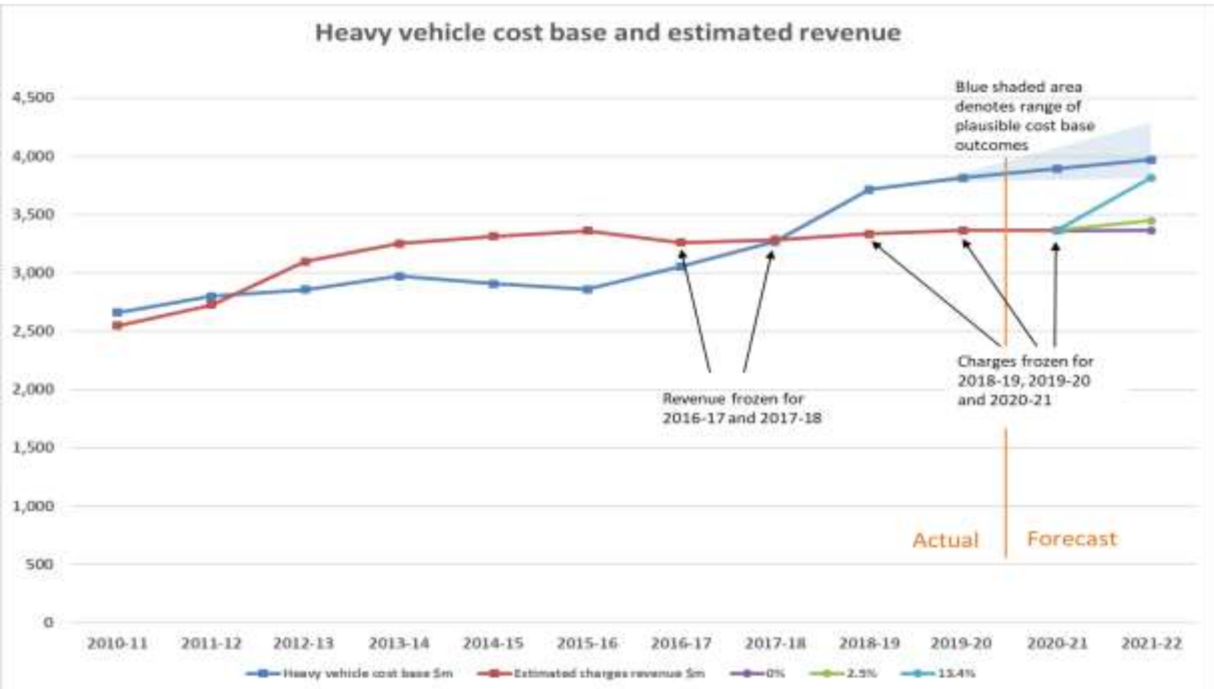


Figure 5 shows that the heavy vehicle cost base is higher than the revenue collected through current heavy vehicle charges in 2019–20, noting that under the PAYGO system, heavy vehicle charges for 2021–22 would be set based on the heavy vehicle cost base calculated using expenditure data for the seven years to 2019–20. This is due to the two-year lag between expenditure occurring, and the charges based on that expenditure being collected.

The expenditure forecast for 2021–22 and 2022–23 is a conservative forecast based on the heavy vehicle cost base growing by 2 per cent per annum. The blue shaded area indicates that there is significant uncertainty around this forecast and expenditure may grow faster or slower than predicted.

This two-year lag means that the cost base and revenue lines cannot be expected to coincide unless expenditure is static. That is, over and under recoveries would be expected to occur. Figure 5 shows the period of over recovery following the 2014 determination. However, it is important to note that under recoveries have occurred prior to the time period covered by the graph. These were, for example, due to decisions to phase in the A-trailer charge over multiple years.

Any changes to heavy vehicle charges can be implemented from 2021–22 at the earliest. An increase of 2.5% for 2021–22 as proposed by ITMM is shown as the green line.

3.2 Costs currently exceed estimated revenue by 13.4 per cent

The cost base for 2021–22 heavy vehicle charges is $3,817.2 million compared to estimated revenue for 2021–22 at current charges (in 2020–21) of $3,365.2 million.

The NTC estimates that current heavy vehicle charges would need to rise by 13.4 per cent in 2021–22 to ensure governments recover the amount spent on providing roads to heavy vehicles in 2019–20.

Table 4. Increase in revenue required

Calculation of increase required to achieve full cost recovery	$m
Heavy vehicle cost base for 2021–22 (expenditure up to 2019–20)	3,817.2
Estimated heavy vehicle charges revenue at current charges in 2021–22	3,365.2
Difference	452.0
Difference as percentage of estimated heavy vehicle charges revenue at current charges 2021–22	13.43%
Rounded to 1 decimal	13.4%

4 Proposal

ITMM agreed to consult on a potential 2.5 per cent increase to heavy vehicle charges, and for the National Transport Commission to run the consultation between 4 January and 12 March 2021.

The proposal to increase heavy vehicle charges by 2.5% in 2021–22 is consistent with the previous decision expressed in November 2019. It represents a small increase to close some of the gap between the cost base and charges revenue.

4.1 Federal Minister of Transport's proposed RUC rate

This proposed increase would result in the following RUC rates applying:

Table 5. RUC rates

Financial year	RUC rate in c/litre
2021–22	26.4

It is a requirement under the *Fuel Tax Act 2006* that the RUC rate be rounded to one decimal point.

4.2 Changes in registration charges

Registration charges consist of a roads component and a regulatory component. The roads component is set to recover the heavy vehicle cost base (in combination with revenue recovered from the RUC) whereas the regulatory component is set to recover the NHVR's approved budget.

Under the proposed increase, the roads component of registration charges would be increased by 2.5% in 2021–22.

The regulatory component of registration charges will be re-set for 2021-22 on the basis of the NHVR's approved budget. Only minimal changes are expected which will have an insignificant effect on overall heavy vehicle registration charges. For the analysis presented in this paper, we have therefore assumed that the regulatory component would remain unchanged.

The following table shows the registration charges for 2021–22 that would be paid by common heavy vehicle types. A more comprehensive list of registration charges is provided in Appendix B.

Table 6. Total registration charges for selected heavy vehicle types under the proposed 2.5% increase

	2020–21 total registration charge	2021–22 total registration charge	Change between 2020–21 and 2021–22
2-axle rigid truck, no trailer, GVM to 12 tonnes	$607	$617	$10
3-axle rigid truck, no trailer, GVM over 16.5 tonnes	$1,142	$1,162	$20
3-axle rigid truck with a 3-axle dog trailer over 42.5 tonnes GCM	$11,444	$11,713	$269
6-axle articulated truck	$6,225	$6,369	$144
9-axle B-double	$14,759	$15,102	$343
Double road train	$14,815	$15,158	$343

Due to the assumed static regulatory component of registration charges, the increase in the total registration charges for 2021–22 is slightly less than 2.5 per cent.

4.3 Financial Implications

The following table shows the financial implications for industry and governments of a 2.5 per cent increase in heavy vehicle charges.

Table 7. Comparison of heavy vehicle cost base and estimated revenue ($m) under the proposed 2.5% increase

Charges year	2020–21 (current)	2021–22 (2.5% increase)
Heavy Vehicle Cost Base	3,717.0	3,817.2
Road User Charge Revenue	1,903.9	1,953.0
Registration Roads Component Revenue	1,430.5	1,496.3
Total Heavy Vehicle Charges Revenue	3,334.4	3,449.4
Difference between Heavy Vehicle Cost Base and Total Revenue	-382.6	-367.9

This shows that industry is estimated to pay an additional $115m in heavy vehicle charges in 2021–22 compared to 2020–21.

Governments depend on revenue from heavy vehicle charges to be able to fund the investment in the road network reflected in recent road expenditure figures.

5 Next steps

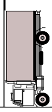
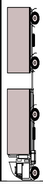
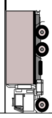
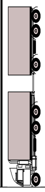
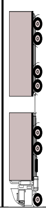
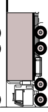
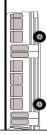
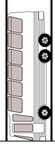
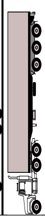
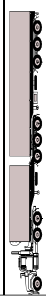
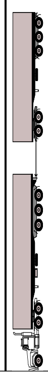
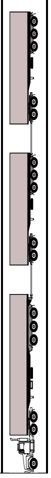
5.1 Next steps

Public submissions on this proposal are invited through this discussion paper available on the NTC website. The closing date for submissions is 12 March 2021

Following the conclusion of the public consultation process and any comments received, the NTC will provide advice on the proposed increases to ITMM and the Deputy Prime Minister as Minister for Infrastructure, Transport and Regional Development.

Appendix A Heavy vehicle charges

The proposal is that a 2.5 per cent increase be applied to the roads component of registration charges in 2021–22. The regulatory component of registration charges will be re-set on a cost recovery basis for 2021–22, with minimal changes expected. This means that the overall increase in total registration charges including both regulatory and roads components is expected to be slightly below 2.5 per cent, as shown in the table below.

Vehicle Type	Mass Rating for Charging	2020-21 charges			2021-22 charges			Percentage change in total registration charges
		Roads component	Regulatory component	Total registration charge	Roads component	Regulatory component	Total registration charge	
	Up to 12.0t	412	195	607	422	195	617	1.7%
	Over 12.0t	720	255	975	738	255	993	1.8%
	Under 42.5t	1,944	341	2,285	1,993	341	2,334	2.1%
	Up to 16.5t	720	230	950	738	230	968	1.9%
	Over 16.5t	817	325	1,142	837	325	1,162	1.8%
	Under 42.5t	2,653	416	3,069	2,719	416	3,135	2.2%
	Over 42.5t	10,742	702	11,444	11,011	702	11,713	2.3%
	Over 42.5t	11,354	704	12,058	11,638	704	12,342	2.4%
	Up to 20.0t	720	245	965	738	245	983	1.9%
	Over 20.0t	817	346	1,163	837	346	1,183	1.8%
	Up to 12.0t	309	204	513	317	204	521	1.5%
	Over 12.0t	309	334	643	317	334	651	1.2%
		2,260	414	2,674	2,317	414	2,731	2.1%
		5,767	458	6,225	5,911	458	6,369	2.3%
		13,739	1,020	14,759	14,082	1,020	15,102	2.3%
		13,739	1,076	14,815	14,082	1,076	15,158	2.3%
		15,398	1,186	16,584	15,783	1,186	16,969	2.3%

Glossary

Term	Definition
Heavy vehicle cost base	The heavy vehicle cost base is that share of national government road expenditure that can be attributed to the heavy vehicle sector in the PAYGO model.
Infrastructure and Transport Ministers Meeting (ITMM)	The Infrastructure and Transport Ministers Meeting (ITMM) brings together Commonwealth, State, Territory and New Zealand Ministers with responsibility for transport and infrastructure issues, as well as the Australian Local Government Association.
PAYGO	Pay As You Go (PAYGO) is an approach used to determine the amount to be recovered from heavy vehicles through heavy vehicle charges. Trend levels of road construction and maintenance expenditure and road use is assessed over the past seven years to reflect the annualised costs of providing and maintaining roads.
Registration charge	Is the annual registration charge that applies to heavy vehicles by vehicle and trailer type.
Regulatory component of registration charge	The regulatory component of the heavy vehicle registration charge is applied to each heavy vehicle and trailer type and is based on the heavy vehicle fleet and the budget of the National Heavy Vehicle Regulator.
Roads component of registration charge	The roads component of the heavy vehicle registration charge is applied to each heavy vehicle and trailer type and is determined by outcomes from the PAYGO model based on heavy vehicle allocated cost and use.
Road expenditure	Road expenditure includes all government arterial and local road expenditure that meets NTC guidelines for inclusion in the PAYGO cost base.
RUC	Road User Charge. The Road User Charge is the charge that is applied to heavy vehicle fuel use expressed in cents per litre or cents per kilogram.

List of tables and figures

Tables

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