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# Road Transport (General) Amendment (Heavy Vehicle User Charges) Bill 2007

## Road Transport Legislation (Breath Testing and Analysis) Bill 2007

About this Item

Speakers - [Roozendaal The Hon Eric](#)

Business - Bill, First Reading, Bill Introduced, Motion

### ROAD TRANSPORT (GENERAL) AMENDMENT (HEAVY VEHICLE USER CHARGES) BILL 2007 ROAD TRANSPORT LEGISLATION (BREATH TESTING AND ANALYSIS) BILL 2007

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**Bills introduced, and read a first time and ordered to be printed on motion by the Hon. Eric Roozendaal.**

**The Hon. ERIC ROOZENDAAL** (Minister for Roads, and Minister for Commerce) [11.55 a.m.]: I move:

#### **Second Reading**

That these bills be now read a second time.

The Road Transport (General) Amendment (Heavy Vehicle User Charges) Bill 2007 represents an important first step in the implementation of the Road Reform Plan announced by the Council of Australian Governments earlier this year. A key building block of the first phase of the Council of Australian Governments Plan is the review and voluntary trials of incremental pricing by the end of 2008. Incremental pricing involves the application of a direct user charge to heavy vehicles in exchange for a productivity initiative, such as increased mass limits and/or enhanced access. This will see heavy vehicles directly paying for the cost impact of their vehicle activity subject to the condition that they produce improved safety outcomes.

More importantly the trials will provide an opportunity to test electronic monitoring and billing technologies ahead of broader heavy vehicle road pricing reforms that will be considered by the Council of Australian Governments in the coming years. The national freight task is expected to double by 2020. In response to this national challenge, the Council of Australian Governments announced in February 2006 a range of reforms directed at improving the productivity of road and rail freight transport. This included directing the Productivity Commission to inquire into the efficient pricing of road and rail freight transport.

The Productivity Commission's final report of this inquiry identified a number of inefficiencies in the current heavy vehicle road pricing arrangements. The commission concluded that significant reform to heavy vehicle charges was required to address the constraints these inefficiencies are placing on heavy vehicle productivity. The Productivity Commission estimated that the reform of heavy vehicle charges as part of broader transport reforms within the current frameworks could lead to a 5 per cent increase in road freight transport productivity. Such an increase would deliver a cost saving of more than \$2 billion per annum across Australia. This would be a significant national microeconomic reform and a significant benefit to New South Wales. The Productivity Commission also stated that more fundamental reforms to heavy vehicle charging and access arrangements could deliver productivity improvements of twice that amount.

In response to the recommendations of the Productivity Commission, the Council of Australian Governments announced the Road Reform Plan, which set out a program of productivity and pricing reforms for the road freight industry. The objective of the Council of Australian Governments plan is to introduce fundamental reform to heavy vehicle pricing to achieve a more efficient pricing regime through direct road user charges for heavy vehicles. That is, getting the right truck on the right road for the right price.

New South Wales is significantly disadvantaged under the current charging arrangements. Approximately half the total road freight and three-quarters of all interstate road freight in Australia moves through New South Wales for at least part of its journey. The level of heavy vehicle activity in New South Wales appropriately reflects our significance to the Australian economy and the nation's reliance on our roads. But the revenue returned directly to New South Wales from heavy vehicle charges does not reflect the cost impact of heavy vehicle activity on the State. The Council of Australian Governments plan represents an opportunity to address the imbalance. It will enable the development of heavy vehicle road freight users charges that promote the efficient, safe and sustainable use of infrastructure, vehicles and transport mode.

**Pursuant to sessional orders business interrupted and set down as an order of the day for a later hour.**

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