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Road Transport Charges (Australian Capital Territory) Repeal Bill 2008

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Road Transport Charges (Australian Capital Territory) Repeal Bill 2008

Date introduced: 13 March 2008

House: Representatives

Portfolio: Infrastructure, Transport, Regional Development and Local Government

Commencement: Sections 1 to 3 on the day of Royal Assent, schedules 1 and 2 immediately before the commencement of the *Interstate Road Transport Charge Amendment Act 2008*.

Links: The [relevant links](#) to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

Purpose

The purpose of the bill is:

- to repeal the *Road Transport Charges (Australian Capital Territory) Act 1993* (the Road Transport Charges (ACT) Act) to allow the Australian Capital Territory to pass its own legislation
- to repeal certain provisions in the *Road Transport Reform (Heavy Vehicles Registration) Act 1997* to remove references to the Road Transport Charges (ACT) Act consequent upon its repeal.

Background

Road User Charges

In 2006, the Productivity Commission undertook a review of the economic costs of freight infrastructure and efficient approaches to transport pricing at the request of the then Treasurer, the Hon. Peter Costello. The purpose of the review was to assist the Council of

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Australian Governments (COAG) to implement efficient pricing of road and rail freight infrastructure through consistent and competitively neutral pricing regimes.¹

The review of heavy vehicle charges was endorsed in 2007 by the COAG.² The Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon. Anthony Albanese, referring to the Productivity Commission report stated that

existing charges are insufficient and... the heaviest vehicles are not paying for the damage they cause while lighter trucks are paying too much.

The increase in the Road User Charge will ensure all heavy vehicles types pay their fair share and will have only a marginal impact on a vehicle's operating cost.³

The [bills digest](#)⁴ for the Interstate Road Transport Charge Amendment Bill 2008 provides further information about the increase in the registration charges for heavy vehicles registered under the Federal Interstate Registration Scheme.

Road Transport Charges (ACT) Act

When the Road Transport Charges (ACT) Act was passed, it was envisaged that each of the States and the Northern Territory would pass legislation and regulations in similar terms in their respective parliaments. This would ensure that there was uniform charging for heavy vehicles throughout Australia.⁵ The Road Transport Charges (ACT) Act fixed the annual registration charges for vehicles rated above 4.5 tonnes. It also fixed charges for the granting of permits to operate vehicles with a gross mass exceeding 125 tonnes. Revenue from registration charges was retained by the Territory.⁶

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- 1 Productivity Commission, *Road and Rail Freight Infrastructure Pricing: Productivity Commission Inquiry Report no. 41*, Canberra, 22 December 2006, p. v.
 - 2 National Transport Commission, COAG ruling phases-out heavy vehicle cross subsidies, 6 July 2007. <http://ntc.gov.au/NewsDetail.aspx?page=A02400305500000200240>
 - 3 Hon. Anthony Albanese, Minister for Infrastructure, Transport, Regional Development and Local Government, *Road Safety and Productivity Package*, media release, Parliament House, Canberra, 29 February, 2008.
 - 4 PaoYi Tan, 'Interstate Road Transport Charge Amendment Bill 2008, *Bills Digest*, no. 88, 2007–08, Parliamentary Library, Canberra.
 - 5 Neil O'Keefe MP, Parliamentary Secretary to the Minister for Transport and Communications, 'Second reading speech: Road Transport Charges (Australian Capital Territory) Bill 1993', Representatives, *Debates*, 5 May 1993, p. 150.
 - 6 *ibid.*

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Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport (the Inter-Governmental Agreement)

The Inter-Governmental Agreement was entered into by the Commonwealth Government and all State and Territory Governments in 2003.

The Inter-Governmental Agreement embraced a commitment by the Commonwealth, State and Territory Governments to improve transport productivity, efficiency, safety and environmental performance and regulatory efficiency in a uniform or nationally consistent manner while monitoring the impact of reforms on infrastructure and regional and remote areas.⁷

Paragraph 14.1 of the Inter-Governmental Agreement relates to ‘model legislation’ as follows:

14.1 That there is a need to maintain a ‘single reference point’ for Agreed Reforms that take the form of Model Legislation or Road Transport Legislation, in order to promote and maintain a uniform or nationally consistent regulatory and operating environment.

Paragraph 14.5 states in relation to the Australian Capital Territory,

The Commonwealth, in agreement with the Australian Capital Territory (ACT) and other relevant Parties will, as soon as practicable, repeal any Road Transport legislation that has been enacted by the Commonwealth on behalf of the ACT.

This is the purpose of the Road Transport Charges (Australian Capital Territory) Repeal Bill 2008.

The [Regulatory Impact Statement for the 2007 Heavy Vehicle Charges Determination](#) puts into context how the model Act with the revised road user charges for heavy vehicles will operate and why it is necessary to repeal the Road Transport Charges (ACT) Act as follows:

7.4 Legislative issues

If approved by the ATC, the recommended annual registration charges will be set out in the form of a model Act made under the *National Transport Commission Act 2003*. This approach is consistent with the requirements of the *Inter-Governmental*

7 Inter-Governmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport http://www.atcouncil.gov.au/documents/pubs/NTC_IGA1.pdf

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Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport (the IGA).

The model Act will not be ‘operative’, in that it will not create any legally enforceable rights or obligations for any party. It will instead provide an authoritative depository for the content of the agreed reform. The model Act will appear as a schedule to Regulations made under the *National Transport Commission Act 2003* on the Federal Register of Legislative Instruments in accordance with the provisions of the *Legislative Instruments Act 2003*. This approach will facilitate the continued referencing of the national charges by jurisdictions.

The charges set out in the model Act will supersede those currently contained in the *Road Transport Charges (Australian Capital Territory) Act 1993*. The location of the charges in that Act was a product of the template legislative reform mechanism adopted by the National Road Transport Commission. This approach has been replaced by the model legislation system set out in the IGA. The template legislation is to be repealed once all jurisdictions have removed any remaining references to it.

The model Act will continue to reflect the key concepts (such as determined charges and the annual adjustment process) and definitions contained in the *Road Transport Charges (Australian Capital Territory) Act 1993*. It will depart from them as necessary, to reflect any matters agreed by the ATC that are not currently provided for (such as the phasing in of certain registration charges).⁸

Financial implications

The Explanatory Memorandum states that there is no financial impact on the Australian Government.

Main provisions

Item 1 of Schedule 1 of the Bill repeals the whole of the Road Transport Charges (ACT) Act.

Schedule 2 of the Bill amends the *Road Transport Reform (Heavy Vehicles Registration) Act 1997*.

Item 1 repeals paragraphs 9(c), 10(1)(g) and 17(2)(f) of the *Road Transport Reform (Heavy Vehicles Registration) Act 1997* so that references to the Road Transport Charges (ACT) Act are omitted.

⁸ National Transport Commission, 2007 Heavy Vehicle Charges Determination, Regulatory Impact Statement Volume 1, December 2007, paragraph 7.4.

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Item 2 repeals section 30 of the *Road Transport Reform (Heavy Vehicles Registration) Act 1997* so that references to unpaid charges and fees under the Road Transport Charges (ACT) Act are omitted.

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