

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 159

Program: N/A

Division/Agency: National Transport Commission

Topic: Heavy vehicle charges

Proof Hansard Page: 143 (19 October 2015)

Senator Gallacher, Alex asked:

Senator GALLACHER: What is the total quantum of over-recovered charges from the heavy vehicle industry resulting from the two-year delay in implementing your original recommendation—with your NTC hat on?

Mr Mrdak: In fact, the over-recovery only occurs with the application of the new methodology. I can get some advice for you in relation to that, but, essentially, with the adoption of the new methodology there have been annual adjustments taking place through that period. I will take on notice the quantum involved.

Senator BULLOCK: Just to be clear on the question: had the new methodology been implemented at the time that it was first recommended, what would the difference have been between the amount recovered and the amount that would otherwise have been recovered?

Mr Mrdak: I will take that on notice and get you those numbers.

Answer:

The estimated difference using the latest available data from the National Transport Commission is \$245.8 million in 2014-15 and \$220.0 million in 2015-16.

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Question no.: 160

Program: N/A

Division/Agency: Surface Transport Policy

Topic: Heavy vehicle charges

Proof Hansard Page: 143 (19 October 2015)

Senator Gallacher, Alex asked:

Senator GALLACHER: Option 2 would result in a further recovery of \$335.8 million over-recovery, a cumulative total of \$771.9 million since the original NTC recommendation. Does that make sense?

Mr Mrdak: I would have to look at the numbers. I am not familiar with those specific numbers. But, certainly, that phase-in would involve some over-recovery continuing.

Senator GALLACHER: Option 3 will continue overcharging well into the mid-2020s and will easily exceed \$1.5 billion.

Mr Mrdak: Again, I would need to look at the numbers to affirm the quantum involved and whether that is the case.

Senator GALLACHER: The delay in implementing the NTC's recommendation was meant to protect road service and funding commitments. What are the current projections for road services expenditure across all governments from 2015-16?

Mr Mrdak: I will take that on notice and get that detail for you.

Answer:

The National Transport Commission prepared three options for the implementation of the new heavy vehicle charges Determination. Option 2, a three-year transition pathway, is estimated to result in an over-recovery of \$380.7 million from 2016-17 and 2017-18. Option 3 proposed that heavy vehicle charges revenue be frozen until the cost base matched 2015-16 revenue levels, and was estimated to result in over-recovery of \$1,469.6 million between 2016-17 and 2021-22.

The Department of Infrastructure and Regional Development does not have current projections for road services expenditure across all governments from 2015-16.

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Senator Gallacher, Alex asked:

Senator GALLACHER: What would the total cost to the industry of these delays be? You can take that on notice.

Mr Mrdak: I will take that on notice.

Answer:

See answer to Question on Notice 160.