

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October/November 2005

Transport and Regional Services

Question no: MLT 01

Division/Agency: Maritime and Land Transport

Topic: UN Booklet (UN Model Regulations on the Transport of Dangerous Goods)

Hansard pages: 41 and 60 (31/10/05)

Senator Heffernan asked:

What input did Australia have into that generous United Nations document (*The UN Recommendations on the Transport of Dangerous Goods – Model Regulations*); and Who was that person' (Who represents DOTARS at the UN meeting of the Committee of Experts on the Transport of Dangerous Goods?)

Answer:

Australia is represented at the United Nations (UN) meeting of the Committee of Experts for the Transport of Dangerous Goods. Attendance at the meetings provides an opportunity to present Australian views and comments. Australia is a voting member of the Committee and has previously attended meetings on a bi-annual basis, contributing significantly to outcomes.

An officer from the Road Transport Reform Section within the Maritime and Land Transport Division represents DOTARS on the UN Committee of Experts on the Transport of Dangerous Goods. The Model Regulations primarily deal with transport safety issues. However, over recent years, consideration has been given to transport security issues, and basic security provisions are now included in the Model Regulations including an indicative list of high consequence dangerous goods.

Australia supported the inclusion of the indicative list of high-consequence dangerous goods into the UN Model Regulations.

This Committee produces and updates the *UN Model Regulations for the Transport of Dangerous Goods* every two years. These Model Regulations are used as the basis for all international movements of dangerous goods and are incorporated into the International Marine Dangerous Goods Code for all sea transport, and into the International Civil Aviation Organisation's Technical Instructions for international air transport. The UN provisions are also incorporated into most countries (including Australia's) domestic land transport requirements for dangerous goods.

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Question no: MLT 02

Division/Agency: Maritime and Land Transport

Topic: National Transport Commission 3rd Determination

Hansard page: Written question

Senator Adams asked:

How can the National Transport Commission justify a 37.6% increase in registration fees for B-Double (9 axle), 34.9% increase for double road trains and 29.9% for triple road trains?

Are you aware of the flow through effect that will arise from increased registrations to rural consumers, causing inflation to rise with higher prices and possible interest rate charges which will also impact on transport operators?

Answer:

Since its inception in 1991, the National Transport Commission (NTC) has had responsibility under an Inter-governmental Agreement (IGA) to examine the level of attributable road expenditure to heavy vehicles and to make recommendations to governments through the Australian Transport Council (ATC) on options for the recovery of these costs.

Under the IGA, the NTC is required to periodically review heavy vehicle road prices and make an assessment of whether those charges are appropriate. In doing this, the NTC must take account of increases in road construction and maintenance expenditure and changes in road use by type of vehicle.

The NTC adopts a methodology which assumes that the current level of road expenditure (all levels of government) provides a reliable proxy for annualised costs of road provision and maintenance for the current vehicle fleet. This cost is then attributed to individual heavy vehicle types through both a fuel charge (excise rate) and through an annual registration charge.

It is an aggregate recovery mechanism across each class of heavy vehicle in the fleet and not a direct cost model-based on individual road use. The last assessment was in 2000. The fuel excise charge estimated by the NTC has remained unchanged since 2001.

The NTC has released a Regulatory Impact Statement (RIS) detailing their methodology and the reasoning behind the assumptions underlying this methodology, which can be found at the National Transport Commission's web site

<http://www.ntc.gov.au>.

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The RIS states that the large increase for road trains is primarily due to changes in patterns of road expenditure in remote areas and increases in their relative share of vehicle activity compared to the Second Determination. For both B-doubles and road trains, more up-to-date and reliable data on pavement damage has meant increased cost allocation to those vehicle classes.

Details on the impact of the proposed charges on vehicle operating costs, industry production costs and on the cost of consumer goods are provided in the RIS. It does not contain specific details on the impact on rural consumers alone but does state that the percentage increase in an average basket of goods for remote areas is between 0.03 per cent and 0.09 per cent.

The registration charges component of heavy vehicle road user pricing is a matter for which States and Territories have direct responsibility.

Revised heavy vehicle road user charges will be considered by governments following final recommendations being submitted by the NTC.

Question no: MLT 03

Division/Agency: Maritime and Land Transport

Topic: Fuel excise

Hansard page: 26 (31/10/05)

Senator O'Brien asked:

What is the estimate of the value to the Commonwealth of that additional excise?

Answer:

Matters of fuel excise revenue are the responsibility of the Treasury Department. However, the National Transport Commission (NTC) has released a Regulatory Impact Statement (RIS) detailing their methodology for proposed registration and road user charges (fuel-based) to apply under the 3rd Heavy Vehicle Road Pricing Determination. Table 21 (page 47) of the RIS provides information on the impact of the new charges on revenues and indicates that in the opinion of the NTC, based on the analysis factor including changes in patterns of road expenditure, Federal revenue will rise from \$968 million to \$1210 million. A copy of the RIS can be found at the NTC's website <http://www.ntc.gov.au>.

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Question no: MLT 04

Division/Agency: Maritime and Land Transport, DOTARS

Topic: The new Customs System

Hansard page: 37 (31/10/05)

Senator O'Brien asked:

What involvement did this Department have with the promulgation of the Customs system as it affected the transport logistics network?

Answer:

The Department of Transport and Regional Services (DOTARS) had no input into the development of Custom's Cargo Management Re-engineering (CMR) System or its promulgation.

DOTARS part funds the Australian Freight Councils with the States and Northern Territory Governments.

A number of councils did assist Customs with the dissemination of information on the CMR system and organising industry information sessions. DOTARS was not involved in these activities.