

4 Proposal

ITMM has agreed to consult on a potential 6 to 10 per cent increase to heavy vehicle charges each year between 2023–24 and 2025–2026. As instructed by Ministers, the National Transport Commission is undertaking the consultation between 21 December 2022 and 20 February 2023.

For the purposes of this consultation paper, the proposal is to implement three increases in heavy vehicle charges of 6 per cent per annum from 2023–24 to 2025–26. As such, it shows the lowest increases consistent with the 6 to 10 per cent per annum range identified by Ministers. The alternative scenario of increasing heavy vehicle charges by 10 per cent per annum is presented to illustrate the highest increases consistent with the range identified by Ministers.

Through this consultation process, Ministers are seeking to establish the right balance between appropriate cost-recovery and operators' ability to cope with price increases in view of the current economic climate.

Increases within the range identified by Ministers would result in the following RUC rates applying:

Table 5. Road User Charge (cents per litre)

	Current 2022-23	2023-24	2024-25	2025-26
Proposal: Increase heavy vehicle charges by 6 per cent per annum	27.2	28.8	30.5	32.4
Alternative scenario: Increase heavy vehicle charges by 10 per cent per annum	27.2	29.9	32.9	36.2

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

The RUC rate on gaseous fuels would be increased in parallel with increases in the RUC rate on diesel fuel.

Table 6. RUC rate on gaseous fuels (cents per kg)

	Current 2022-23	2023-24	2024-25	2025-26
Proposal: Increase heavy vehicle charges by 6 per cent per annum	36.3	38.5	40.8	43.2