

20th December 2012

Mr Richard Hancock
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Re: *Fees for regulatory services* consultation paper

The National Farmers' Federation (NFF) welcomes the opportunity to comment on the *Fees for regulatory services: Setting fees for the National Heavy Vehicle Regulator (NHVR) in an initial operational phase* consultation paper.

The NFF supports the establishment of a single national system of laws for heavy vehicles, to improve efficiency in the operation of heavy vehicles and reduce the administrative and regulatory burden for heavy vehicle operators. The NFF notes that while the concept is supported, implementation of the new national system requires careful consideration to ensure objectives are met and that the expected benefits are generated for both the individual businesses operating heavy vehicles and the broader economy.

The National Transport Commission has previously noted that “primary producers generally operate vehicles well below average usage”. An increase in costs, which will occur in certain jurisdictions, needs to be acknowledged and limited where possible for these businesses that are least able to absorb cost increases. The NFF does not want to see a reduction in regulatory burden on large operators translate directly to increases in regulatory burden for smaller operators. Driving efficiencies within the regulatory system and exploring cost savings for all operators needs to be a priority for the NHVR.

It is acknowledged that once the NHVR commences providing regulatory services to industry (that are currently provided by individual states and territories), these services will incur costs and it is appropriate to recover these costs by fees to industry. However, the proposed fee arrangements are in the absence of activity-based data and the consultation paper does not analyse any anticipated savings. Consistent with the intention of improving efficiency of the regulatory system through streamlined administrative functions, it would seem appropriate that the costs would end up being less than the national average, even within the initial 3-5 year expected transition period. The NFF would like to see the efficiencies gained through transition to a national system passed onto heavy vehicle operators.

The lack of information on service costs seems shortsighted, as it limits the ability of the NHVR to benchmark future performance and identify potential administrative efficiencies. For the NHVR to efficiently progress through the transition period, an

appropriate amount of data will be required, both current costs from states and also data from the initial operations of the NHVR.

The NFF disagrees with the statement in the consultation paper that *“a change to the dollar amount for various fees does not mean that the regulatory burden on industry is increasing, as the cost of a fee cannot be considered in isolation from other costs and, more importantly, the significant benefits that accrue from the reform”*. While the benefits for the reform are expected to benefit the industry collectively, there will no doubt be certain businesses that will face increased costs from the proposed changes; and hence an increased regulatory burden for some individual businesses. Impacts on businesses will be on a jurisdictional basis and industry bodies representing heavy vehicle operators in individual states may be in a better position to comment on the specific changes.

The NFF and its members look forward to working with the NHVR office to ensure the needs of farmers are addressed in the implementation of the single national system of laws for heavy vehicles.

If you have any comments or questions regarding this letter, please contact NFF Rural Affairs Manager, David McKeon on 02 6269 5666.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Linnegar', with a large, stylized initial 'M'.

Mr Matthew Linnegar
CHIEF EXECUTIVE OFFICER